

No. 14201

United States
Court of Appeals
For the Ninth Circuit.

CHET L. PARKER and LOIS M. PARKER,

Appellants,

vs.

TITLE AND TRUST COMPANY, a Corporation; PAUL
WINANS, ETHEL WINANS, ROSS M. WINANS,
AUDUBON WINANS and LINNAEOUS WINANS,

Appellees,

and

WALTER STEGMANN,

Appellant,

vs.

TITLE AND TRUST COMPANY, a Corporation; PAUL
WINANS, ETHEL WINANS, ROSS M. WINANS,
AUDUBON WINANS and LINNAEOUS WINANS,

Appellees.

Transcript of Record

In Five Volumes

Volume V

(Pages 1897 to 2297)

Appeals from the United States District Court for the
District of Oregon

FILED

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Appeals from the United States District Court for the
District of Oregon

Dec. 21, 1943.

Paul Winans,
R.F.D. No. 2,
Hood River, Ore.

Dear Sir:

We are prepared to issue title insurance covering:

Lot 1 and the Northeast Quarter of the Northwest Quarter of Section 16, Township 1 South, of Range 8 East, of the Willamette Meridian, in the County of Hood River, State of Oregon.

showing title on December 20, 1943, at 5 P.M. vested in W. R. Winans, subject to the usual printed exceptions and

1. Proof should be secured by an Affidavit of the County Assessor that Section 16, Township 1 South, of Range 8 East, of the Willamette Meridian is located in Hood River County. Early deeds to above lands stated that they were situated in Multnomah County.

2. Mortgage, given by W. R. Winans and Mary Winans, his wife, to W. B. Combs, dated Jan. 12, 1923, recorded Jan. 17, 1923, in Vol. 15 of Mortgage records, page 507, to secure the sum of \$1000.00 due 1 year after date, with interest at rate of 8% per annum, payable quarterly with privilege of paying note at any interest payment date.

3. Mortgage, given by W. R. Winans and Mary Winans, his wife, to W. B. Combs, dated July 12, 1936, filed Nov. 24th, 1936, in Vol. 24 of Mortgage

records, page 50, to secure the sum of \$541.80, payable on or before 3 years after date, with interest at rate of 8% per annum, payable semi-annually.

4. Judgment, Hood River County, Judgment Creditor, W. R. & Audubon Winans, Judgment Debtors, docketed June 17, 1943, for Tax Warrant (110) in sum of \$92.48. This is for Personal property taxes and Sheriff's assessment shows that W. R. Winans owes $\frac{5}{8}$ ths and Audubon owes $\frac{3}{8}$ of above amount.

Yours very truly,

HOOD RIVER ABSTRACT &
INVESTMENT COMPANY,

By.....
President.

This is a preliminary report only. No responsibility is assumed hereunder until full policy premium has been paid.

EXHIBIT No. 7

Agreement

This Agreement, Made and executed in duplicate this day of October, 1951, by and between Chet L. Parker and Lois M. Parker, husband and wife, of Vancouver, Washington, hereinafter called "Parkers," and Title and Trust Company, a Corporation, hereinafter called "Company";

Witnesseth:

Whereas, Parkers are the owners and holders of a policy of Owner's Title Insurance, No. HR 12-987, in the principal amount of \$125,000.00, issued by Company, insuring Chet L. Parker as the owner of a fee simple estate, subject to certain exceptions set forth in said policy, in the following described real property located in Section 16, Township 1 South, Range 8 East, Willamette Meridian, in the County of Hood River, State of Oregon: Lot 1, saving and excepting therefrom approximately ten acres more or less, more fully described in said policy, and the Northeast quarter of the Northwest quarter, which will hereinafter be referred to as "Lot 2"; and

Whereas, there is a defect in the title to said Lot 2 and Parkers have presented a claim against Company under said policy; and

Whereas, Parkers in support of said claim hereby represent and warrant that they paid Walter Stegmann the sum of \$25,000.00 for an assignment of an option held by said Walter Stegmann to purchase

the above-described property, a copy of which option and assignment are hereto annexed and

[Exhibit 7 is a preliminary draft of a proposed settlement between plaintiff and defendant Parker. Not executed and not discussed with Parkers. The above first page was the first page of Exhibit 8.]

EXHIBIT No. 8

incorporated herein, marked Exhibits A and B, respectively; and that they paid the vendor Winans the net sum of \$95,300.00 for a conveyance of the above-described property; and that the total consideration paid by Parkers for said property was the sum of \$120,300.00, and that no part of said sum or other thing of value in lieu thereof has been returned to Parkers, or either of them, or to their account; and

Whereas, Parkers claim that the value of Lot 1, based upon the amount of timber thereon, is the sum of \$30,300.00 and that the value of Lot 2, based upon the amount of timber thereon, is the sum of \$90,000.00; and

Whereas, the Parkers have represented to Company and hereby warrant that they had no knowledge of any defect in the title to said Lot 2 prior to their payment of the purchase price therefor and acceptance and recording of the deed to said property; and

Whereas, it is to the mutual advantage of Parkers

and Company to avoid or minimize the loss resulting to them, or either of them, on account of the defect in said title to Lot 2;

Now, Therefore, in consideration of the foregoing and of the following mutual promises, the parties hereto agree as follows:

1. Parkers hereby agree and elect to rescind the purchase of said option from said Stegmann and the purchase of the above-described property from said Ethel Winans, and authorize and instruct Griffith, Phillips & Coughlin, or such other attorneys as Company may designate to prosecute diligently such action or suit as may be necessary or advisable, in their opinion, to effect such rescission and hereby deliver to Company a quitclaim deed conveying Parkers' right, title and interest in the above-described property to the said Ethel Winans, together with said option and said assignment of option for surrender to the said Ethel Winans and Walter Stegmann, respectively, as necessary to accomplish said rescission.

2. That the valuation of Lot 1 and Lot 2 set forth above shall be conclusive and binding on the parties hereto for the purpose of establishing any loss of Parkers under said policy.

3. Company agrees to pay the sum of \$90,000.00 to Parkers on January 15, 1952, upon written request therefor and tender to Company of a properly executed quitclaim deed conveying Parkers' right.

title and interest in Lot 2 to Company and a properly executed assignment of all Parkers' claims and causes of suit or action against Ethel Winans and all other interested parties, if any, and Walter Stegmann arising out of the subject transaction, or option, or purchase, or defect in title to Lot 2, and of Parkers' interest in any final decree or judgment entered in any suit or action brought pursuant to the terms hereof to the extent of such payment and subject to the terms of Paragraphs 4 and 5 below.

4. In the event that the purchase of said Lots 1 and 2 is rescinded, either by agreement or by final decree or judgment in a suit or action brought pursuant to the terms hereof, and the said Ethel Winans, and/or other interested parties, if any, repay or become obligated to repay to Parkers or Company the amount of the purchase price received by them for said property, Company agrees to pay Parkers the sum of \$120,300.00, less the sum of \$90,000.00, if theretofore paid to Parkers under Paragraph 3 above, and less any sums theretofore paid Parkers by the said Ethel Winans, and/or other interested parties, if any, and/or Walter Stegmann on account of the said defect in title to Lot 2, upon written request and receipt of a properly executed assignment to Company of all Parkers' claims and causes of suit or action against the said Walter Stegmann arising out of the subject transaction, or option, or purchase, or defect in title to Lot 2, together with authority to continue or commence, as the case may be, a suit or action against the said

Walter Stegmann in Parkers' name to recover the amount which Stegmann received in payment for the assignment of said option and a properly executed assignment of said final decree or judgment against Ethel Winans, and/or other interested parties, if any, or a properly executed assignment of the evidence of obligation of the said Ethel Winans, and/or other interested parties, if any, to repay the amount of the purchase price of said property, and a properly executed quitclaim deed conveying all Parkers' right, title and interest in said Lots 1 and 2 to Company.

5. In the event of a final decree denying a rescission of the purchase of the above-described property, Company agrees to return to Parkers the deed from Parkers to the said Ethel Winans, provided for in Paragraph 1 above, upon receipt of a properly executed assignment of all Parkers' claims and causes of action against the said Ethel Winans, and/or other interested parties, if any, and the said Walter Stegmann and all other persons, parties or corporations, arising out of the subject transaction, or option, or purchase, or defect in title to Lot 2.

6. Company agrees to pay all costs and attorneys' fees arising out of any suit or action brought by it, pursuant to the terms hereof, in the name of Parkers, and to indemnify and hold harmless the Parkers from all loss or damage arising out of the bringing of said suit or action.

7. Company agrees to pay a reasonable attorneys' fee to the firm of Marsh, Marsh & Dashney for their services rendered Parkers in connection with their representation of the Parkers in the adjustment of the Parkers' claim under said policy and the protection of Parkers' rights under this agreement

8. The Company shall refund to Parkers the amount of the premium paid for said policy of title insurance in the amount of \$430.00 in the event that the purchase of the above-described property is rescinded, or will prorate the premium in the event that Parkers retain title to Lot 1 and refund the balance of said premium, based upon the valuation set forth above.

9. Parkers agree to cooperate fully in the maintenance of the suits or actions described above and to make themselves available at reasonable times and places for the purpose of giving testimony in depositions and/or at the trial of such suits or actions, and Company agrees to pay Parkers the reasonable and necessary cost of travel and accommodations in appearing to give such testimony or appear in said trials, save and except any loss of earnings or profits.

10. In consideration of the foregoing and of the performance of the promises and agreements of the Company set forth above, Parkers hereby release, acquit and forever discharge Company from all claims and causes of suit or action of any nature or description arising out of the defect in the title to

Lot 2 above described, and upon performance of the terms hereof to execute and deliver to Company a full and final release.

11. If at any time during the performance of the above agreement or while any portion of any decree or judgment against the said Ethel Winans, and/or other interested parties, if any, and/or Walter Stegmann remains unsatisfied or while any agreement of any of the latter parties to repay the amount of the purchase price of said property and/or option remains unfulfilled, Company is in a position to convey or confirm a clear title to Lot 1 to or in Parkers, Parkers agree to accept title to said Lot 1 at the agreed valuation of \$30,300.00 therefor above and to pay Company said amount upon demand and tender of marketable title to said Lot if Parkers have theretofore received payment of the \$120,300.00 provided for in Paragraph 4 above.

In Witness Whereof, Parkers have hereunto set their hands and seals and the Company has affixed its seal and the hands of its duly authorized officers this day and year first above written.

.....

.....

“Parkers.”

TITLE AND TRUST COMPANY

By.....

Attest:

.....

“Company.”

EXHIBIT No. 9

Agreement

This Agreement, Made and executed in duplicate this day of October, 1951, by and between Chet L. Parker and Lois M. Parker, husband and wife, of Vancouver, Washington, hereinafter called "Parkers," and Title and Trust Company, a Corporation, hereinafter called "Company";

Witnesseth:

Whereas, Parkers are the owners and holders of a policy of Owner's Title Insurance, No. HR 12-987, in the principal amount of \$125,000.00, issued by Company, insuring Chet L. Parker as the owner of a fee simple estate, subject to certain exceptions set forth in said policy, in the following described real property located in Section 16, Township 1 South, Range 8 East, Willamette Meridian, in the County of Hood River, State of Oregon: Lot 1, saving and excepting therefrom approximately ten acres more or less, more fully described in said policy, and the Northeast quarter of the Northwest quarter, which will hereinafter be referred to as "lot 2"; and

Whereas, there is a defect in the title to said Lot 2 and Parkers have presented a claim against Company under said policy; and

Whereas, Parkers in support of said claim hereby represent and warrant that they paid Walter Stegmann the sum of \$25,000.00 for an assignment of an

option held by said Walter Stegmann to purchase the above-described property, a copy of which option and assignment are hereto annexed and incorporated herein marked Exhibits A and B, respectively: and that they paid their grantor Ethel Winans the net sum of \$95,300.00 for a conveyance of the above-described property; and that the total consideration paid by Parkers to the said Stegmann and Winans for said property was the sum of \$120,300.00, and that no part of said sum or other thing of value in lieu thereof has been returned to Parkers, or either of them, or to their account; and

Whereas, Parkers claim that the value of Lot 1 and Lot 2, based upon the amount of timber thereon at \$32.00 per MBF stumpage is the sum of \$120,300.00;

Whereas, the Parkers have represented to Company and hereby warrant that they had no knowledge of any defect in the title to said Lot 2 prior to their payment of the purchase price therefor and acceptance and recording of the deed to said property; and

Whereas, it is to the mutual advantage of Parkers and Company to avoid or minimize the loss resulting to them, or either of them, on account of the defect in said title to Lot 2;

Now, Therefore, in consideration of the foregoing and of the following mutual promises, the parties hereto agree as follows:

1. Parkers hereby agree and elect to rescind the

purchase of said Option from said Stegmann and the purchase of the above-described property from said Ethel Winans, and authorize and instruct Griffith, Phillips & Coughlin, or such other attorneys as Company may designate to prosecute diligently such action or suit as may be necessary or advisable, in their opinion, to effect such rescission and hereby deliver to Company a quitclaim deed conveying Parkers' right, title and interest in the above-described property to the said Ethel Winans, together with said Option and said Assignment of Option for surrender to the said Ethel Winans and Walter Stegmann, respectively, as necessary to accomplish said rescission.

2. Company agrees to pay the sum of \$110,000.00 to Parkers on the day of, 1952, upon written request therefor and tender to Company of a properly executed Bargain and Sale deed conveying Lot 1 to Company and a properly executed quitclaim deed conveying Parkers' right, title and interest in Lot 2 to Company, with each of said conveyances to be free and clear of all encumbrances of persons claiming under Parkers and a properly executed Assignment of all Parkers' claims and causes of suit or action against Ethel Winans and all other interested parties, if any, and Walter Stegmann and the United States of America and the State of Oregon arising out of the subject transaction, or option, or purchase, or defect in title to Lot 2, and of Parkers' interest in any final decree or judgment entered in any suit or action brought pursuant to the terms hereof, together with author-

ity to continue or commence, as the case may be, suits or actions against any of the last mentioned parties or bodies politic in Parkers' name to obtain whatever remedy or redress to which Parkers or Company may be entitled.

3. In the event that the purchase of said Lots 1 and 2 is rescinded, either by agreement or by final decree or judgment in a suit or action brought pursuant to the terms hereof, and the said Ethel Winans, and/or other interested parties, if any, repay or become obligated to repay to Parkers or Company the amount of the purchase price received by them for said property or in the event of a final decree or judgment denying such relief, Company agrees to pay Parkers the additional sum of \$10,-300.00, upon written request and delivery of a properly executed assignment to Company of said final decree or judgment, if any, against Ethel Winans, and/or other interested parties, if any, and/or Walter Stegmann.

4. Company agrees to pay all costs and attorneys' fees arising out of any suit or action brought by it, pursuant to the terms hereof, in the name of Parkers, and to indemnify and hold harmless the Parkers from all loss or damage arising out of the bringing of said suit or action.

5. Company agrees to pay a reasonable attorneys' fee to the firm of Marsh, Marsh & Dashney for their services rendered Parkers in connection

with their representation of the parkers in the adjustment of the Parkers' claim under said policy which fee is to be determined by agreement between said firm and the firm of Griffith, Phillips & Coughlin.

6. The Company shall refund to Parkers the amount of the premium paid for said policy of title insurance in the amount of \$430.00.

7. Parkers agree to cooperate fully in the maintenance of the suits or actions described above and to make themselves available at reasonable times and places for the purpose of giving testimony in depositions and/or at the trial of such suits or actions, and Company agrees to pay Parkers the reasonable and necessary cost of travel and accommodations in appearing to give such testimony or appear in said trials, save and except any loss of earnings or profits.

8. In consideration of the foregoing and of the performance of the promises and agreements of the Company set forth above, Parkers hereby release, acquit and forever discharge Company from all claims and causes of suit or action of any nature or description arising out of the defects in the title to Lot 2 above described, and upon performance of the terms hereof agree to execute and deliver to Company a full and final release.

In Witness Whereof, Parkers have hereunto set their hands and seals and the Company has affixed

its seal and the hands of its duly authorized officers
this day and year first above written.

.....,

.....,

“Parkers.”

**TITLE AND TRUST
COMPANY,**

By

Attest:

.....,

“Company.”

Witnesses:

.....,

.....

EXHIBIT No. 10-A

October 15, 1951.

Marsh, Marsh & Dashney,
Attorneys at Law,
McMinnville, Oregon.

Attention: Francis Marsh.

Re: Chet L. Parker.

Gentlemen:

As we understand the present state of the adjustment of Mr. Parker's claim against the Title and Trust Company from our telephone conversation Saturday, October 13, the Parkers are still reluctant to have a suit brought in their own name and would prefer to accept the sum of \$95,000.00 on account

of the defect in title to Lot 2, and retain title to Lot 1 in their own name.

We have discussed this most recent change of Mr. Parker's views on the matter with our client, and the Title and Trust Company would prefer to dispose of the matter on the basis outlined in our conference last Friday afternoon. We have, accordingly, prepared and there is enclosed three copies of a form of agreement under which company agrees to pay Mr. Parker the sum of \$110,000.00 at the present time and the balance of \$10,300.00 at the time the decree or judgment in the suit to be commenced in the Parkers' name becomes final. In consideration of these payments the company is to be given the right to commence whatever suits as is necessary to recover the amount of the purchase price and the option money, together with an assignment of all claims of the Parkers arising out of the subject transaction and a quitclaim deed to their interest in Lots 1 and 2.

If it further develops from your further discussion in the case with Mr. and Mrs. Parker that the enclosed agreement is satisfactory, please have them sign it in duplicate and return it to our office and we will have it executed by Title and Trust Company forthwith and return one copy to your firm for delivery to Mr. and Mrs. Parker. You will note that in Paragraph 2 of the Agreement, we have left the date for the payment of the \$110,000 blank. That date should be filled in at the time the Parkers sign the Agreement to call for payment of said sum two weeks from the date that the Parkers sign, in

order that we may file the proposed law suit prior to making the payment.

If the Parkers do not wish to enter into the enclosed Agreement, we suggest that rather than attempt another conference it would be advisable to have the Parkers reduce whatever proposal they wish to make to writing and submit it to the company. It seems to us that we have had enough discussions of the matter with the Parkers that they are aware of the company's reasons for wishing to proceed in the Parker's name and the company realizes and appreciates the reasons why the Parkers wish to receive payment for their loss as soon as practicably possible. However, if either you or Mr. or Mrs. Parker feel that further conferences would be of assistance or that a written agreement could be worked out in a conference, representatives of the company and our office would be pleased to meet with you and clients at any time convenient to you. We believe that it would certainly be mutually advantageous to work out a final solution to this matter as soon as possible.

If the Parkers sign the agreement they should also furnish to you for forwarding to the company, the following documents which Mr. Parker has stated several times he has in his possession or can get.

1. The cancelled checks covering the payment of the \$25,000 option money to Mr. Stegmann and the cancelled checks covering the \$100,000 payment to Ethel Winans.

2. Evidence of the amount which the Winans paid back to the Parkers on account of the reserved portion of Lot 1. It is our understanding that this amount was \$4,700.00 but apparently there is some possibility that it might have been a little more or less. In any event, the amount should be accurately determined since it is the basis of establishing the total cost to the Parkers of Lots 1 and 2.

3. The timber cruise on Lots 1 and 2.

The Company will, of course, give the Parkers appropriate receipt for said documents and if they desire, also furnish photostatic copies.

Also, if the Parkers propose to go ahead with the enclosed form of agreement, we would appreciate your ascertaining from them the following information relative to their residence for the purpose of enabling us to determine whether or not it would be advisable to attempt a suit in Federal court based on diversity of citizenship:

1. Their present place of voter's registration and where they voted last.

2. Where they filed their United States Income Tax Returns for the year 1950.

3. Whether or not either filed income tax return for the State of Oregon for the year 1950.

4. What they maintain as their Washington address.

5. Whether or not they maintain any home or

residence of a relatively permanent nature in either Oregon or Washington.

6. Where their son went to school last year and this year.

We realize that question of domicile is difficult and that it would be up to the company to determine at its own risk whether or not, from the facts presented by Mr. Parker, there is a basis for federal jurisdiction.

Yours very truly,

GRIFFITH, PHILLIPS &
COUGHLIN,

JAMES K. BUELL.

JKB:m

Enc.

cc: Title and Trust Co.

City

1918

Chet L. Parker, et ux., vs.

EXHIBIT No. 10-B

Marsh, Marsh & Dashney,
Attorneys at Law,
First National Bank Bldg.,
McMinnville, Oregon.

October 23, 1951.

Griffith, Phillips & Coughlin,
Attorneys-at-Law,
Portland 5, Oregon.

Re: Chet L. Parker.

Attn.: Mr. James K. Buell;

Gentlemen:

Your letter of October 15, 1951, received and this matter was discussed at great length with Mr. and Mrs. Chet Parker. Mr and Mrs. Parker are not willing to sign the proposed agreement and have authorized me to submit to you this counter-proposal by way of compromise only.

Under your Title Insurance Policy No. HR 12-987, you insured that Chet L. Parker is the owner of a fee simple estate in the following described real property: The NE $\frac{1}{4}$ NW $\frac{1}{4}$ in Section 16, Township 1 South, of Range 8 East, of the Willamette Meridian in the County of Hood River, State of Oregon. It has developed that title to this tract of land is vested in the United States of America and that a total loss of title in Chet L. Parker arises by reason thereof.

In view of the fact that the policy of title insur-

ance does not make any segregation as to the amount of insurance covering the tract described above and the other property described in said policy, it is our belief that under the law, Chet L. Parker would be entitled to recover under this policy the loss he sustained by reason of the defect in the 40-acre tract. The amount of his loss would be based upon the reasonable market value of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$, not to exceed \$125,000.00.

Mr. Parker had a bona fide offer from a prospective purchaser to buy the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ for a sum of money in excess of \$125,000.00 and there seems to be no doubt but what the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$, which has been referred to as Lot 2 in our previous discussions, is well worth more than \$125,000.00. Therefore, the actual loss sustained by Chet L. Parker by reason of the defect in the title to the 40-acre tract (Lot 2) is in excess of the policy limits and therefore he feels he would be entitled to receive from you the sum of \$125,000.00 and still retain title to Lot 1.

Therefore, we make a demand on behalf of Chet L. Parker for the payment of \$125,000.00 under this policy. However, as a compromise offer, Mr. Parker is willing now to accept \$110,000.00 from the Title and Trust Company because of the loss he sustained on account of the defect in the title to the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 16, Township 1 South, of Range 8 East, of the Willamette Meridian in Hood River County, State of Oregon.

If your client was to pay the \$110,000.00 to Mr. Parker, it would be subrogated to a right of action,

if any, for damages against the Winans. In this connection, the Title & Trust could bring an action for damages against the Winans because of the subrogation agreement set forth in the policy.

In other words, the net result, if this compromise offer is acceptable to the Title & Trust Company, might be stated briefly as follows: Title & Trust to pay Chet L. Parker, \$110,000.00 because of the defect in the title to the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$; the Title & Trust Company to receive, if desired, a Quitclaim Deed from Parker to the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$; the Title & Trust Company to be subrogated to any right of action Chet L. Parker may have against the Winans or any other persons because of such defect; the action against the Winans and others, if brought, to be brought in the name of the Title & Trust Company, the Parkers to testify if personally subpoenaed.

This offer is made as a compromise only and if not acceptable, Mr. Parker will insist on a payment of the sum of \$125,000.00, which apparently is his actual loss due to the defect in the title to the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$.

Very truly yours,

MARSH, MARSH & DASHNEY,

/s/ FRANCIS E. MARSH,

FRANCIS E. MARSH.

FEM:er

EXHIBIT No. 10-C

November 6, 1951.

Marsh, Marsh & Dashney,
Attorneys at Law,
First National Bank Bldg.,
McMinnville, Oregon.

Attention: Francis E. Marsh.

Re: Chet L. Parker, insured, Title & Trust Company, owners title insurance policy No. HR 12-987.

Gentlemen:

Our client, the Title and Trust Company, has considered the proposal of settlement outlined in your letter of October 23, on behalf of Mr. and Mrs. Parker and it is not acceptable.

In the absence of any other evidence to the contrary, you are apparently correct in your assertion in your letter of October 23, that the legal title to the forty-acre tract of land which we have referred to in our discussions and correspondence as "Lot 2" is vested in the United States of America subject to whatever estoppel the parties holding under the deed from the State of Oregon may have a right to assert against the government.

We believe that you are in error with regard to the question of segregation of values as to Lots 1 and 2. At the time Mr. Parker first ordered a preliminary report for a purchaser's policy of title insurance, he submitted to the Title and Trust Company an executed Assignment of Option covering subject

property from one Walter Stegmann to himself in which Lots 1 and 2 were stated to be of the value of \$35,000 and \$90,000, respectively. Accordingly, the maximum loss which Mr. and Mrs. Parker could have sustained on account of the defect in the title to Lot 2 would be \$90,000.

Mr. Parker has advised us that he has had several offers on the property, but it is our understanding that no enforceable offers to purchase the property have been made and no enforceable contract for the sale of the property has been entered into.

Also contrary to the assertion in your letter, it would appear that there is considerable doubt as to the value of Lot 2 being in any event greater than \$90,000. In view of Mr. Parker's very positive assertion at the conference between himself, Mr. Dashney of your firm and Mr. Alstadt of the Title and Trust Company and the writer on September 28, that there is no question in his mind that Lot 1 was worth the full \$35,000 and that he would like to keep it based on that valuation.

The Title and Trust Company has attempted to approach this question with the utmost good faith. We point out that the Company took the initiative to contact Mr. Parker and bring the question of a possible defect immediately to his attention as soon as the Company learned of it. In the course of attempting to work out an agreement for a mutually satisfactory solution to this problem the Company has relied completely upon Mr. Parker's represen-

tation as to the amount of his loss and his representations as to the value of the two tracts.

We believe that the Company is entitled to have Mr. Parker furnish proof of loss and evidence in support. He has repeatedly referred to cancelled checks evidencing the payment of \$125,000.00 and of a timber cruise showing the stumpage and values of the timber on the subject property, and has agreed to permit us to examine these items. We request that this be done soon at some time convenient to yourself and your client.

We have attempted to avoid the necessity of having the amount of money which Mr. Parker has invested in this property tied up in the course of lengthy litigation over the amount of his loss. To that end we have proposed several alternative methods of proceeding which have been orally agreed to by Mr. Parker and then subsequently repudiated. Our offer, however, is still the same and our client is still willing to go ahead with the agreement forwarded to you with our letter of October 15, 1951.

Yours very truly,

GRIFFITH, PHILLIPS &
COUGHLIN,

JAMES K. BUELL.

JKB:m

1924

Chet L. Parker, et ux., vs.

EXHIBIT No. 10-D

November 26, 1951.

Marsh, Marsh & Dashney,
Attorneys at Law,
First National Bank Building,
McMinnville, Oregon.
Attention: Francis E. Marsh.

Gentlemen:

The numerous changes of mind on the part of Mr. and Mrs. Parker relative to their claim of loss under the owner's policy of title insurance issued by the Title & Trust Company, No. HR 12-987, together with other evidence which our client has discovered, indicates to our client that the Parkers have not made a full disclosure to this Company and have not dealt with the Company in good faith. The Company has, therefore, instructed us to notify your firm as the attorneys for Mr. and Mrs. Parker, that its offer to enter into an agreement with Mr. and Mrs. Parker in accordance with the form of agreement enclosed in our letter of October 15th and resubmitted in our letter of November 6th, is hereby withdrawn.

Yours very truly,

GRIFFITH, PHILLIPS &
COUGHLIN,

JAMES K. BUELL.

JKB:m

cc: Mr. Chet L. Parker,
106 East 33rd Street,
Vancouver, Washington,
Mr. Chet L. Parker,
McMinnville, Oregon.

EXHIBIT No. 15-A

[Editorial]

Hood River Daily
Sun

Thursday, Sept. 20, 1951

[Sun Masthead]

Lost Lake Timber

Yesterday the Daily Sun revealed that the new owner of the only privately owned large block of timber on Lost Lake had invited loggers to consider purchasing the timber and logging the 55 acres he has purchased. Strange as it may seem the man himself is quoted as saying that he is only interested in the property as a home site.

Before the new owner goes too far with his plans, we think it might be smart for him to take the general public into consideration. Lost Lake is one of the beauty spots of the Northwest, it is one of Hood River Valley's greatest natural resources. If the land is owned by this Chet L. Parker, the forest service has no jurisdiction over the property whatsoever and Parker can make a hideous gash in the virgin forest surrounding the lake.

The destroying of the beauty of Lost Lake is not an issue that the citizens of Hood River County should let go by the boards without some effort to stop.

EXHIBIT No. 15-B

[News Clipping From Hood River Sun—Oct. 1.
1951.]

**\$250,000 Will Buy Lost
Lake Timber and Land**

“You were pretty rough in your editorial about the Lost Lake timber deal on my friend, Chet Parker,” a pleasant little fellow in a big hat told the Daily Sun late this afternoon. “I represent Parker and if the people of Hood River County are concerned about keeping the beauty of Lost Lake, they can buy the timber and the land or they can ask the forest service to trade Parker some other timber land for the Lost Lake property.”

“What would Mr. Parker consider a fair price for the timber and property?” we asked the representative.

“Well, we figure the timber is worth \$180,000, lots of peeler logs up there, and the land should be worth \$70,000, nice lake frontage. That would make a total deal of around \$250,000. I think Mr. Parker would consider that a fair price,” he said.

“Of course,” he went on, “if the forest service would like to trade for some other timber property, we would be happy to talk business with them. Of course, it would have to be equal to what we value the Lost Lake property.”

It has been speculated for some time that the reason that Parker had purchased the Lost Lake timber was to force the forest service into a trade

for other timber that he had his eye on. Previous to the visit of timber broker Bonnie Butler of Prineville to the Daily Sun office and his above statements, Parker has maintained that the purchase on Lost Lake was for a private retreat and that he was not interested in logging.

The forest service very often does trade timber as Butler suggests.

EXHIBIT No. 15-C

[News clipping, Hood River Sun—Oct. 15, 1951]

Forest Service Says 40 Acres Theirs

The United States Forest Service has notified Chet Parker by registered letter that 40 of the 55 acres of Lost Lake property he thought he purchased recently from the Winans family "has never passed from federal ownership." Yet, Parker has title insurance on the property. This information was related to the Daily Sun by Mr. and Mrs. Chet Parker, who called at the Sun office Saturday.

Parker still has undisputed ownership to about 15 acres which he claims has been damaged by someone raising the lake and flooding better than an acre of it.

The story of the 40 acres that is under dispute as can be pieced together from several sources is as follows:

Each section 16 and 36 in each township were

given by the federal government to the state. Sometimes when the land was inaccessible the federal government gave them another section in place of either 16 or 36. That was the case with the Lost Lake property apparently from the federal government point of view. Apparently this information did not get to the proper people in the state government, for the state, according to some people, sold the land to an individual. This individual sold it to the senior Winans 53 years ago and the Winans have been paying taxes on it since that time.

Parker explained that there might have appeared a discrepancy between the amount of money that Winans received and the amount of money that was evidenced by the internal revenue stamps paid on the money that was actually paid for the land, but he had had to pay a party by the name of Stegmann \$25,000 for an option he held on the property in addition to what he paid the Winans.

EXHIBIT No. 15-D

[News clipping, Hood River Sun—Dec. 11, 1951]

Suit to Settle Title Started

In the suit to clarify the status of the ownership of the land on Lost Lake which was sold by the Winans family to Chet L. Parker and wife, the Title and Trust Company, who issued title insur-

ance on the property, has brought suit against everyone connected with the ownership of the land from the year 1859 when Oregon was admitted to the union down to the present transaction with the exception of Macrum and the senior Winans, who are both dead.

The title and trust company issued title insurance on the property to the extent of \$125,000 and now they find they cannot produce a clear title, so they are asking federal courts, where the suit is filed, to solve the problem as to who owns or has owned the property.

Named as defendants in the suit are the Winans family, Walter Stegman, the Parkers, the county of Hood River, the state of Oregon and the United States.

The story of the property as outlined in the complaint in short form follows.

When Oregon was admitted to the union in 1859, the federal government granted sections 16 and 36 to the state for use as school lands, if these sections were not already sold or otherwise disposed. The land involved in the suit is in section 16. The complaint states that at the time of the entry of the state into the union this land belonged to the federal government.

It should be made clear that not all of the property comes under question of title. Fifteen of the 55 acres involved in the sale is clear. It is the 40 acres that were not mapped before being sold by the state to the Macrums that is being discussed.

In 1889, the complaint states, the state sold all of

the land involved in the transaction to Charles A. Macrum. At that time the property went on the Hood River county tax rolls and has been on ever since.

Prior to June 17, 1892, no government survey had been made of this section. On this date the land in section 16 was all set apart and included in that portion of the Mt. Hood National Forest known as the "Bull Run Timber Reserve."

In 1902, the complaint says, the land was conveyed by Chas. A. Macrum to W. R. Winans by Warranty deed.

In 1907, the document says, the state of Oregon selected another more accessible forty acres in central Oregon and traded the federal government this tract for the 40 acres in section 16 near Lost Lake. This is the same land that the document claims was sold to Macrum in 1889, who later sold it to Winans.

The title in 1943 was transferred to Ethel Winans by W. R. Winans.

The complaint states that in 1943, Ethel and Paul Winans asked and were supplied by the Pacific Title and Trust Co., working through its agent, the Hood River Abstract Co., title insurance in the face amount of \$8,000 on all of the property involved in the transaction.

The Winans asked the Forest Service to exchange the Lost Lake property for other government timber lands, which is not an unusual practice where the Forest Service wants to save a stand of timber for recreation or beauty. On January, 1944, the

Forest Service notified Winans that the government owned 40 acres of the land he wished to trade.

The Winans came back on the title insurance company and were awarded \$3,000.

The complaint goes on to say that in August, 1951, the "Winans falsely represented to defendant Walter Stegman that they were the owners of a merchantable title." They gave Stegman an option to buy all of the property at this time.

On August 13, the option was signed over to Chet Parker. The complaint states that the Winans, Stegman and Parker all knew of the title difficulties and did not tell the title and trust company.

The Sun is authorized to state by a person having full and complete knowledge of the facts that the correct status of the title to the entire property was meticulously represented by the sellers to the buyer at every phase of the negotiations and sale.

EXHIBIT No. 18

[Exhibit 18 is a certified photostatic copy of the plat of survey of lands in T. 1 S., R. 8 E., W.M., in Oregon. A copy of the material portion is attached to the amended complaint as Exhibit A.]

1932

Chet L. Parker, et ux., vs.

EXHIBIT No. 19

Mason, Bruce & Girard
Consulting Foresters
American Bank Building
Portland 5, Oregon

December 22, 1952.

Mr. James K. Buell,
Griffith, Phillips & Coughlin,
Electric Building,
Portland 5, Oregon.

Dear Mr. Buell:

On November 12, 1952, you requested our firm to make an intensive cruise and valuation of certain designated timber lands in Hood River County. The field work was completed immediately because even a minor snowstorm at that elevation would make the tract inaccessible until next spring. Enclosed are two copies of our cruise summary report on this property.

Sampling Procedure

Quarter-acre sample plots were taken at each $\frac{1}{2}$ tally interval along travel lines which crossed the property eight times. On each plot, diameters, tree heights, and defect and breakage were carefully taken. Log grades were taken on a portion of these plots uniformly distributed throughout the tract.

Volume

The merchantable net volume on the three tracts is shown as follows:

Mercantable Net Volume M'BM

Description	Acres	Species						Total
		DF	WF	WRC	WH	WP	NF	
Sec. 16, T. 1 S., R. 8 E.								
NE NW	40.	640	205	481	537	46	43	1,952
N. Part Lot 1	15.	160	152	229	140	36		717
S. Part Lot 1	10.88		63	130	13	18		224
Total	65.88	800	420	840	690	100	43	2,893

Values

In arriving at a value for the entire tract and for each parcel independently as of September 11, 1951, sales of similar timber over a wide area were considered. Problems such as road development costs, logging costs, markets and other factors which influence stumpage values in the immediate vicinity were also given careful consideration.

Development costs are high due to the necessity of constructing approximately one mile of high standard logging road, and installing a bridge or large culvert at the crossing of the Lake Branch of Hood River.

Following are four tables which in my opinion show the net volume and values on a per thousand board foot basis as well as total volume and value per tract.

Valuation of the entire tract (Table I) and of NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 16 (Table II) was based on a reasonably sizable operation. The road and bridge construction mentioned above would be essential for the removal of either of these tracts. Valuation of the north and south portions of Lot I

(Tables III and IV) were based on a small "gypo" type of operation.

Table I

NE $\frac{1}{4}$ -NW $\frac{1}{4}$ & Lot 1, Sec. 16, T. 1 S., R. 8 E.

Species	Volume M'BM	Stumpage per/M	Total Value
Douglas Fir	800	34.00	\$27,200.00
White Pine	100	16.00	1,600.00
West Red Cedar	840	14.00	11,760.00
West Hem. Noble Fir & White Fir	1,153	4.00	4,612.00
Total	2,893		\$45,172.00

Table II

NE $\frac{1}{4}$ -NW $\frac{1}{4}$ Sec. 16, T. 1 S., R. 8 E.

Species	Volume M'BM	Stumpage per/M	Total Value
Douglas Fir	640	30.00	\$19,200.00
White Pine	46	12.00	552.00
West Red Cedar	481	10.00	4,810.00
WH-NF-WF	785	1.00	785.00
Total	1,952		\$25,347.00

Table III

North Portion Lot 1, Sec. 16, T. 1 S., R. 8 E.

Species	Volume M'BM	Stumpage per/M	Total Value
Douglas Fir	160	32.00	\$ 5,120.00
White Pine	36	15.00	540.00
West Red Cedar	229	13.00	2,977.00
WH-NF-WF	292	3.00	876.00
Total	717		\$ 9,513.00

Table IV

South Portion of Lot 1, Sec. 16, T. 1 S., R. 8 E.

Species	Volume M'BM	Stumpage per/M	Total Value
White Pine	18	13.00	\$ 234.00
West Red Cedar	130	11.00	1,430.00
WH-NF-WF	76	2.50	190.00
Total	224		\$ 1,854.00

We are keeping a rough copy of the cruise and the work sheets in this office. If we can be of any further service to you, please let us know.

Very truly yours,

MASON, BRUCE & GIRARD,

/s/ LYLE A. CUMMINGS.

EXHIBIT No. 20

[Exhibit 20 consists of thirteen cards, each entitled "Timber Scale Record," showing cruises of various properties by Mason, Bruce and Girard, together with an original and carbon copy of a sheet entitled "Timber Appraisal — Title and Trust." The substance of the latter is incorporated in Exhibit 19.]

1936

Chet L. Parker, et ux., vs

EXHIBIT No. 21

United States District Court

District of Oregon

Civil No. 6242

TITLE AND TRUST COMPANY, a Corporation,

Plaintiff,

vs.

CHET L. PARKER, et al.,

Defendants.

DEPOSITION OF WALTER STEGMANN

taken on behalf of plaintiff.

April 26, 1952—May 20, 1952—July 12, 1952

* * *

A. I can't recall what discussion there was.

Q. You cannot recall whether or not you arrived at any agreed valuation for the timber on the two tracts or property? A. I don't remember.

(Discussion off the record.)

Q. Do you remember whether or not the assignment that you gave to Mr. Parker made any reference to a valuation of the two tracts of timber?

A. I can't remember whether it did or not.

(Copy of assignment dated August 13, 1951, signed by Walter Stegmann, was thereupon marked Stegmann Deposition Exhibit No. 2,

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

and the same is attached hereto and returned herewith.)

Q. (By Mr. Buell): Would you take Exhibit No. 2 that the Reporter has just handed you and read it and see if that refreshes your memory? Let me advise you that what you have before you marked as Exhibit No. 2 bears the typewritten designation "Exhibit B" and purports to be a copy of the assignment which you gave to Mr. Parker and it is a copy that is attached to the complaint in this case.

After seeing that, does that refresh your memory at all as to whether or not there was any reference to the segregation of values for Tract No. 1 and Tract No. 2 in the actual assignment which you gave to Mr. Parker and signed that Monday [67*] evening?

A. The reason that there was for this——

Q. First of all, answer my question as to whether or not you can positively state as to whether or not in the actual assignment that was delivered to Mr. Parker there was that segregation of values which is set forth on that Exhibit No. 2 which you have in your hand?

A. If there was, from memory I couldn't remember that, but if that is a copy there, there must have been some discussion.

Q. Do you recall the discussion at all, any actual

*Page numbering appearing at top of page of original Reporter's Transcript of Record.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

discussion between you and Mr. Parker that night on that particular question?

A. It seems like that back piece, away from the lake there, was considerably better than what was down towards the water's edge.

Q. This assignment, Exhibit No. 2, purports to set a value of \$90,000 on the 40-acre tract and \$35,000 on the 25-acre tract. Whose figures were those? Were they yours or Mr. Parker's?

A. I don't remember exactly on that.

Q. Do you remember deciding in your own mind that the timber on the 40-acre tract was worth \$90,000?

A. I know the timber that would be on the 40 acres was worth more than what was on the smaller piece.

Q. Do you recall anything at all about arriving at those particular figures, those two amounts, \$90,000 and \$35,000? [68]

Q. (By Mr. Buell): You say Mr. Parker paid you \$25,000 for your assignment. Is that right?

A. Yes.

Q. When did he pay it to you?

A. That evening.

Q. Did he give you a check? A. Yes.

Q. Just a personal check of his own?

A. Yes.

Q. On what bank?

A. It was on The First National Bank of McMinnville.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. The check was payable to whom?

A. Payable to me.

Q. To you alone? A. Yes.

Q. What did you do with that check?

A. As I remember, I cashed it.

Q. Cashed it?

A. And there was some bills I had to pay.

Q. Where did you cash it?

A. McMinnville.

Q. When?

A. I don't remember the exact date.

Q. Was it within a day or two of the date it was given to you? [69]

A. No, it was several days later, I believe.

Q. Was it within a week?

A. I can't remember exactly.

Q. Was it within two weeks?

A. It may have been.

Q. Was it within three weeks?

A. I can't remember the exact date.

Q. What did you do with the money? Did you put it in your account?

A. No. You mean deposit it?

Q. Yes.

A. I used it for paying some outstanding bills I had.

Q. Well, I was going to come to that in a minute. First of all, did you get actually the sum of \$25,000 cash in your possession when you cashed the check, \$25,000 in currency?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. There was \$4,000 that I paid—there was \$4,000 that I had to pay for the purchase out of the \$25,000.

Q. That left a balance of \$21,000 that you received, is that right? A. Yes.

Q. Did you deposit that full \$21,000 in the bank, in any bank?

A. As I remember, I don't believe I did. I received cash.

Q. You carried it around on your person?

A. No.

Q. What did you do with it? [70]

A. I started paying bills.

Q. Did you put any part of it in a safety deposit box? A. Yes.

Q. In what bank?

A. Oh, we had a deposit box of our own at home.

Q. And that is where you put it?

A. What was left.

Q. What bills did you pay with the money?

A. Gosh, I can't remember exactly.

Q. Do you have receipts for the bills which you paid? A. I think I have.

Q. Where are they?

A. I think with the rest of my papers.

Q. You say at the time you agreed with Mr. Parker that of the \$25,000 you would take \$4,000

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

of it to make the initial payment for the exercise of the option? A. Yes.

Q. Where did you put that \$4,000?

A. That was at the bank.

Q. You put that in your own personal account?

A. Yes.

Q. When did you draw a check for the \$4,000?

A. I forget now when it was. I don't remember the exact date.

Q. But that was a check on the First National Bank of Portland, McMinnville Branch, for \$4,000, is that correct? [71] A. Of Portland?

Q. The McMinnville Branch?

A. I think so. It was the McMinnville bank.

Q. What is the name of the bank?

A. The First National Bank of McMinnville.

Q. Would you please state now as many of the creditors that you paid off with this money as you can? A. No, I can't remember.

Q. Approximately how much money or how many debts did you have at the time you sold this option to Mr. Parker?

A. I don't remember the exact amount.

Q. You could not give any estimate?

A. No.

Q. You did not have \$21,000 worth of debts, did you? A. No.

Q. After you got through paying your debts and setting aside the \$4,000, how much money did you have left?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. I don't remember the exact amount.

Q. What is your best estimate of the amount that you had left?

A. I was purchasing other timber and stuff, so I don't remember the exact amount.

Q. Do you still have an account in The First National Bank of McMinnville? A. No.

Q. No? [72] A. No.

Q. When did you close it?

A. I don't remember when.

Q. What was the next bank account you opened up after you closed the one with The First National Bank of McMinnville?

A. I don't have a bank account.

Q. You have no bank account now?

A. No.

Q. At the time that you sold your option to Mr. Parker, did you have any bank account other than the one at The First National Bank of McMinnville? A. No.

Q. No? A. No.

Q. Have you had any other bank account since that time? A. No.

Q. You cannot give us any estimate whatsoever of the amount of debts that you paid off with this \$25,000? A. No.

Q. Could you state whether or not the amount of money you paid in the discharge of debts exceeded \$5,000? A. I can't remember exactly.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. You mean it may have been less or it could have been more? A. I don't remember.

Q. I beg your pardon? [73]

A. I said I don't remember whether it would be or not.

Q. All of these debts were paid in cash, is that correct? A. Yes.

Q. What? A. Yes.

Q. You don't know whether you have all the receipts? A. No.

Q. Are all the receipts you do have in one place?

A. I think so.

Q. How long would it take to get them?

A. I don't know.

Q. You mean it would be something you could get together in a couple of hours or in a day?

A. It would probably take several days, I imagine.

Q. Where are the various places in which those receipts are located?

A. As I remember, I had them in a box. I think they are stored with some furniture we have stored.

Q. Over in Vancouver? A. Yes.

Q. Do you have any at your residence in Vancouver now? A. No, not that I know of.

Q. Do you have any at McMinnville?

A. No.

Q. You have had no bank account of any kind since you closed [74] your account with The First National Bank of McMinnville? A. No.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. You say you spent some of this money on other timber that you acquired? What timber is that? A. Some in Southern Oregon.

Q. Where is the tract in Southern Oregon located? A. Around Grants Pass.

Q. Whom did you purchase it from?

A. Clay Brown.

Q. How much did you owe for it?

A. I don't remember the exact amount now.

Q. Approximately how much did you pay for it?

A. I think the figure was \$12,000, I believe.

Q. Did you pay cash for it? A. Yes.

Q. \$12,000 in currency?

A. I believe it was, if I remember.

Q. Or whatever the exact amount of the purchase price was? A. Yes.

Q. Have you sold that tract?

A. No, not as yet.

Q. Did you purchase title to the land with the timber on, or was that just a cutting contract or a timber contract? A. Just the timber.

Q. You just owned the contract? [75]

A. Yes.

Q. And where is that contract located?

A. It should be with the rest of my stuff.

Q. You have not assigned that to any other person yet? A. Not now.

Q. Does any other person other than yourself have any interest in that timber? A. No.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Do you have any agreement to split any profits that you might make on the sale or disposal of that timber with any other person? A. No.

Q. Have you acquired any other timber other than this Clay Brown tract?

A. I have an agreement on one or two others.

Q. What are they?

A. What do you mean?

Q. Would you designate where the tracts are and whom you acquired the agreements from?

A. You mean the location?

Q. Yes. A. One is in California.

Q. Whereabouts in California?

A. It is Fortuna.

Q. Where? [76] A. Fortuna.

Q. What kind of an interest do you have in that tract? A. That is just a contract.

Q. Did you pay anything for it? A. No.

Q. Whom did you acquire the contract from?

A. I can't think of his name right now. It is to be as a cutting contract.

Q. Where is that contract located?

A. It should be with my other papers.

Q. Where is the other tract that you have an interest in now?

A. That is at—I can't think of the name of the town. It is around Orick.

Q. Where is that? Is that in California?

A. Yes.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Whom did you acquire that from?

A. I have an agreement to purchase it.

Q. From whom?

A. From Kelly, I believe his name is.

Q. Do you know his first name?

A. Bill—William.

Q. Do you owe anything under that agreement?

A. Not yet.

Mr. Ryan: Mr. Buell, I know we have reserved objections on the question of relevancy, but I think I will instruct him [77] not to answer some of these questions.

(Discussion off the record.)

Mr. Ryan: I request, on behalf of the defendant Stegmann, that this deposition be continued until the conclusion of Mr. Jaureguy's case in Eugene, the title of which I do not know, and that the further taking of depositions be reserved until the conclusion of the case, at which time Mr. Stegmann will be available for the continuation of his deposition. Is there any objection, Mr. Buell?

Mr. Buell: No objection. [78]

* * *

Q. (By Mr. Buell): Mr. Stegmann, when we concluded the first part of your deposition several weeks ago, we were covering the question of what disposition had been made of \$25,000 which you testified Mr. Parker paid you for the assignment

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

of your option to purchase the Winans' property to Mr. Parker.

Out of that sum you stated you had paid \$4,000 to the Winans at the time you exercised the option, and that you [80] had expended the approximate sum of \$12,000 for the purchase of a tract of timber or an interest in a tract of timber from Clay Brown in Southern Oregon.

As to the rest of the funds, which would leave a balance of about \$9,000, you were unable to specify as to how much of it you had left or how much had been paid for the bills which you stated you paid after you cashed Mr. Parker's check.

In the meantime have you refreshed your recollection at all as to what disposition was made of the rest of that money?

A. Yes. I think I was a little confused. Do you want the grocery bills and traveling expenses and——

Q. We would like as complete an accounting of the \$25,000 as you can make. If you have a written accounting, that would shorten it, and that would be preferable.

A. Well, after going over it and thinking more about it, I remembered that I borrowed on a note from Mr. Parker, and this \$25 was in payment for that note.

Q. How much was payment on the note?

A. The \$25,000.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. You repaid the entire \$25,000 to Mr. Parker then?

A. Excuse me a minute. Should I explain it? Shall I explain it in detail or just answer the question? The whole thing? I was wondering—maybe I didn't make myself clear.

The \$25,000 was repayment of money that I had borrowed [81] from Mr. Parker. I sold him the option and the money that was received from this option, I sort of gave it to him as payment for the note I had when I borrowed the money previous.

Q. What was the face amount of that note?

A. It was somewhere over \$20,000. I forget the exact amount, \$22,000 or something.

Q. When was that note given to Mr. Parker?

A. I believe it was in 1950, the latter part.

Q. And at the time you assigned your option to Mr. Parker, had you made any payments on the principal of that note?

A. I don't remember. It wasn't due yet for, I believe, another month or two.

Q. At the time you repaid the money to Mr. Parker, did you receive the note? A. No.

Q. Where is the note at the present time?

A. I think Mr. Parker has it.

Q. Do you have any receipt from Mr. Parker for the money that you paid him?

A. No. If I have, I haven't been able to find it.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Did you receive a receipt? Did you have a receipt that you remember?

A. It seems like there was. I remember he marked it "Paid" or something on the back.

Q. On the note? [82] A. Yes.

Q. But he retained the note?

A. He retained the note.

Q. Did you actually see him endorse "Paid" on the back of it? A. Yes.

Q. About when did that take place?

A. As I remember, I think it was the latter part of September of 1951.

Q. I want to make sure, Mr. Stegmann, whether or not, in addition to marking "Paid" on the back of this note, Mr. Parker also gave you some written receipt for that money?

A. I believe he did, but I just can't quite remember now.

Q. How was that money paid to him?

A. I endorsed his check back to him that he gave me for the \$25,000. I was a little confused there on the cash. I had borrowed cash from him previously and, as I said, the note was in payment for cash I had borrowed from him. I mean the check——

Q. Then, in fact, you never actually cashed the \$25,000 check that you testified he gave you for the assignment of the option?

A. No, it was in return for cash that I had.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. What I mean is that, instead of taking the check and endorsing it and taking it in to the bank and drawing out the \$25,000, you simply endorsed the check back to Mr. Parker, is that correct?

A. Yes. [83]

Q. Then where did you get the \$4,000 that was paid to Mr. Winans at the time the option was exercised?

A. I also had another note with Mr. Parker to borrow up to—I think it was \$10,000. I didn't want to pay interest only on what I used, so I had arrangements to draw the checks against this note and they would be honored through the bank.

Q. When was that note you just referred to signed?

A. I believe it was in the first part of the year of 1951, probably April or May—I am not sure.

Q. Where is that note at the present time?

A. I don't have no copy of it.

Q. Does Mr. Parker still have the note?

A. I think so.

Q. Was that note in the possession of Mr. Parker or was it in the possession of the First National Bank of McMinnville when you were drawing the checks against it?

A. That I don't know.

Q. Were you present at any meeting between Mr. Parker and a representative of the First National Bank of McMinnville when the arrange-

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

ments were made for you to be able to draw checks which would be honored by this loan commitment which Mr. Parker had given you?

A. Will you make that a little more clear, please?

Q. To go back a moment, didn't you just testify, in order to avoid having to pay interest on the money Mr. Parker was going [84] to loan you, that you had made an arrangement that he would withhold the money and that when you would draw a check on the bank the bank would apply the money that Mr. Parker had agreed to put up in payment of your check?

A. I don't quite understand that.

Q. I am sorry. Maybe I don't, either. Would you explain in your own words just what this loan arrangement was between you and Mr. Parker and the bank?

A. Well, I had this note with Mr. Parker, and the bank was to honor the checks up to a certain amount on this note.

Q. Was that a joint agreement between you, Mr. Parker and the bank?

A. The note was between me and Mr. Parker.

Q. How would the bank then get the money to cover your checks?

A. He had an account there, I believe—whether he left the note at the bank I don't know, but anyhow the checks were honored, and that was all I was interested in, to see that they were paid.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Were you present at any time when Mr. Parker made arrangements with the bank to cover your checks there, present at any meeting with a representative of the bank?

A. I don't remember any meeting.

Q. Those checks of yours were all drawn on the First National Bank of McMinnville? That is right? A. Yes. [85]

Q. Did you, yourself, have any meetings or discussions with any representative of that bank in connection with your account?

A. I don't remember.

Q. How much money did you draw against this \$10,000 note that you were just referring to?

A. I remember \$1,000 that was paid to Paul Winans and the \$4,000 that was paid to him. I don't remember any others.

Q. Was there any other money drawn against that note? A. I don't remember.

Q. All you can recall drawing against the \$10,000, then, is the \$5,000 you just mentioned?

A. That is all I can recall just at the moment.

Q. What is the balance of that note at the present time? A. I don't remember that.

Q. Have you got any idea?

A. I don't remember whether it was paid off and discontinued now.

Q. Did you ever make any payment on that note?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. Yes, out of the \$25,000 there was some money paid on that note.

Q. Your testimony now, then, is that a portion of the \$25,000 represented by the check of Mr. Parker that you endorsed back to him was credited on this \$10,000 note you have just referred to? [86]

A. I think it was, that \$4,000.

Q. Do you have any receipt showing that?

A. I don't remember whether I do. I believe I do.

Q. Where is that?

A. I think I would have it probably at home.

Q. Referring back a minute to the first note which you stated was given sometime late in 1950, are you able to definitely state what the face amount of that note was?

A. No, not the exact amount; I am not able to say the exact amount of that. I think it was around twenty or twenty-two thousand dollars.

Q. And of that amount, \$20,000 or \$22,000, whatever the face amount was, what was the unpaid balance at the time you turned back this check, endorsed back this back for \$25,000 to Mr. Parker?

A. I don't believe there was any of it that was paid. It had not become due yet.

Q. Is it your testimony that this \$20,000 or \$22,000 note was paid in full by the endorsement back of this \$25,000 check? A. Yes.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. You were given full credit on the entire net balance, whatever the exact amount was, plus any accrued interest, at the time you gave Mr. Parker back his check for \$25,000? A. Yes.

Q. In addition, you testified that approximately \$4,000 was [87] also credited to this second note for \$10,000? A. Yes, I believe so.

Q. You think you have receipts for those credits signed by Mr. Parker somewhere in your belongings, is that correct? A. I think so.

Q. Have you made any attempt to look for them? A. Yes.

Q. Were you able to find any of them?

A. I have not.

Q. Where did you look?

A. I looked around my home.

Q. Where else is there for you to look for them?

A. I have some things stored and I haven't gotten it all out of storage yet.

Q. Have you got any of your things out of storage? A. Yes, some.

Q. Did you look among those things, as you got them out, for these receipts?

A. Yes. I think, also, if there was any payment he would mark it on the back of the note.

Q. Was there any reason why this \$20,000 or \$22,000 note, which you state was paid in full by this transaction—was there any reason why that was not returned to you?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. No, I don't remember only that I didn't get it and that he kept it. [88]

Q. On August 13, 1951, the date of the assignment of this option, did you have any other notes payable to Mr. Parker other than the two you have just mentioned this morning?

A. No. I don't remember.

Q. Were you indebted to him in any additional amount other than as covered by those two notes? In other words, did you owe him any additional money that was not covered by a note?

A. Not that I remember of.

Q. Did you owe anybody else any money other than Mr. Parker?

A. I believe I did to other people.

Q. In any substantial amounts, amounts exceeding \$1,000?

A. Yes, I believe so.

Q. On August 13, 1951, aside from the two notes which we have discussed this morning, the two notes payable to Mr. Parker, what was the approximate amount of the other obligations, the approximate total amount of your other obligations other than your obligations to Mr. Parker?

A. I can't remember.

Q. Would they exceed or would the total exceed \$10,000?

A. I don't know. [89]

* * *

Q. Had Mr. Parker credited you with the \$20,000 or \$22,000, whatever it was, on these two notes

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

prior to the time he advised you about the title question?

A. Yes, because I think he credited me for that in the latter [135] part of September, I believe, and it was about a month or two before he told me anything about having trouble with the title. [136]

* * *

Q. Did Mr. Parker have any interest in or connection with your purchase of the Clay Brown timber in Southern Oregon? A. No.

Q. Did he advance you any money? [141]

A. No.

Q. Where did you obtain the money to acquire that timber?

Mr. Ryan: I will repeat my instructions, Mr. Stegmann, not to answer questions that are not relevant to the transaction with Mr. Parker or any questions regarding your general business.

(Question read.)

Mr. Buell: You are instructing him not to answer the last question?

Mr. Ryan: Yes. That was a question with regard to the Clay Brown property.

Mr. Buell: As to where he got the money?

Mr. Ryan: Yes. [142]

* * *

Q. At the time we took your deposition you testified, with respect to the \$25,000 check—Page 69

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

of your deposition—you testified you had cashed it. That is the way you testified on that date.

What I am getting at is this: On that date you testified to receiving and cashing the check, and in another place you testified about placing some money in a deposit box. However, today you have given a different version, that the check was endorsed back to Mr. Parker.

I wish you to explain what happened in the interim to cause you to give that different [148] version.

A. As I say, I was under the impression that it was the same as cash, the check. I was paying back a loan that I had received in cash and I was under the impression—I might have been confused—that it was cash. [149]

* * *

Q. (By Mr. Lindsay): I am not clear how you got in touch with Chet Parker after you signed the option agreement.

A. I thought I explained it before, that I met him at my place [196] in McMinnville. I believe it was Sunday.

Q. Saturday you signed it and Monday is the next day that the option signing took place, so that there was Sunday intervening?

A. As I remember, he came over to his brother's place. His place adjoins my place in McMinnville. I was out working in the lawn. Each week end,

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

sometimes, I would go down to take care of the lawn, and he happened to come over to his brother's place.

Q. Yes.

A. And he asked me—I was out there working and he naturally seen me and he would say something, rather than go on by, of course. He wondered how things were going and I mentioned to him that I had this tract of land.

Q. Yes.

A. And he wanted to go and look at it. He said he might be interested in it.

Q. He had not seen you for some time?

A. Quite some time.

Q. And didn't you know where you were?

A. No.

Q. He didn't know you had been up to Hood River?

A. Not that I remember, unless someone—someone could have told him, but I never did tell him.

Q. Didn't you have him in your mind as a possible purchaser of the option, or as someone who would lend you the money, when [197] you went into it?

A. Well, it was possible. He was buying [198] timber, too.

* * *

Q. I don't quite understand how you arrived at the \$25,000.

A. I just thought that was reasonable and a

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

good price for the option. It was worth about approximately one-fourth——

Q. In you experience in buying timber rights and selling options, have you found you generally get about a quarter of the price you agree to pay for the property or timber? A. Quite often.

Q. You are sure of that? There was no discussion between yourself and Parker about the \$25,000? A. No.

Q. He didn't think it was too high?

A. Not after he looked at the timber, he didn't think it was. [202]

* * *

Q. The first time you had any occasion to discuss those two tracts of land was the time you signed your option?

A. He asked me which I thought was the best timber—which piece of property had the best piece of timber, I mean the larger trees, and I told him I thought the best part of it was on the back 40. It is logical, I mean, for timber people or land-owners or others to say “40 acres here” and “40 acres here,” regardless of whether they have 400 acres or not; they kind of offset it by 40's.

Q. And that is the reason why this particular option assignment shows these values that way, is that it? That is your explanation?

A. Yes. As I say, that back 40 was worth more. It is a better grade of timber.

Q. What I want to know is this: Is that the

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

reason why that particular valuation was entered in this option assignment, why it was broken up into two tracts? [204]

A. As I remember, it must have been.

Q. And that was discussed by you and Mr. Parker?

A. There was a slight discussion there, yes.

Q. You recall that discussion clearly now?

A. After reviewing this, yes.

Q. I think last time you were a little hazy about it.

A. I couldn't remember, from memory. [205]

* * *

Mr. Buell: Was Mr. Stegmann able to find any receipts?

Mr. Ryan: Mr. Stegmann has not been able to find receipts. I suggest you ask him about that.

Mr. Buell: Right. What about the Clay Brown contract?

Mr. Ryan: Mr. Stegmann has not been able to find the Clay Brown contract as yet. He is still searching for it. [234]

* * *

Q. This Clay Brown contract that you referred to the first time you appeared for your deposition, was that also oral?

A. I am sure I have a copy of that contract.

Q. But you cannot locate that?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. No. I am going to continue to search for it and if I can I will try to obtain another copy.

Q. Where is the original of that contract?

A. It would be with those receipts and stuff that I had because I had most of them all in one [240] place.

* * *

Q. Where does Clay Brown live?

A. I think he lives at Grants Pass. [241]

* * *

Q. When was it you purchased your interest in this Clay Brown property?

A. About the last of this year—I mean last year, or the first part of this year. I don't remember which. [247]

* * *

Q. Do you have any record of the equipment that you owned at the time you borrowed the \$20,000 or \$22,000 from Parker?

A. I don't have.

Q. Do you know where a record of what that equipment was could be found?

A. I did have some of my receipts, but I just can't find them.

Q. You did not sell any of that equipment in 1951? A. I don't remember that I did.

Q. I beg your pardon?

A. I don't remember. It seems like some of it was, but I am not sure.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. How much logging equipment do you own at the present time? A. I don't have any now.

Q. You do not have any now? A. No.

Q. When was the last of it disposed of?

A. The first part of this year.

Q. The first part of 1952?

A. I believe it was.

Q. Did you sell it? A. Yes.

Q. To whom?

A. I sold some to my brother.

Q. What did you sell to your brother?

A. I think all I had was the power saw and some rigging. [248]

Q. How much did your brother pay for it?

A. I don't remember exactly.

Q. Did you sell any of it in 1950?

A. Some was sold in 1950.

Q. What was sold then?

A. I don't know exactly what was sold then, but I remember some being sold.

Q. To whom? A. I don't know his name.

Q. Was it a substantial amount of the equipment? A. It was quite a little bit.

Q. Approximately how much?

A. I don't just remember.

Q. And you don't remember how much was sold in 1951? A. No.

Q. You say that aside from this Winans transaction and the loan arrangement that you had with Mr. Parker from time to time on the Arthur prop-

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

erty and the loan of this \$20,000 or \$22,000 and the \$10,000 loan commitment that he gave you before you went up to Hood River, that those were the only business dealings of any kind that you had with Mr. Parker? Is that right? A. Yes.

Q. You say that the only time that he employed you to do anything for him or the only time which you acted as his agent in any capacity was when he employed you to survey the lines of [249] this reserved portion of the Winans tract, is that right?

A. The only time I ever worked for him, hired to do anything, was when I was to set out this reserved area on the Winans property. [250]

* * *

Q. I want you to tell me in specific detail exactly how you spent that \$22,000.

A. Well, I just don't know, only that I spent some road building.

Q. How much? I am going to ask you three questions with respect to every item: How much, to whom did you give it and when was it given?

Mr. Ryan: Let him refresh his memory by looking at the income tax return (Stegmann Deposition Exhibit No. 8).

A. \$11,325 was for road building and fire trails.

Q. (By Mr. Lindsay): You spent that much of the \$22,000 in road building? A. Yes.

Q. All right. When did you spend those amounts, up to when?

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

A. I don't know exactly.

Q. Why don't you know exactly?

A. I just don't know.

Q. When did you build the roads, Mr. Stegmann?

A. Well, it was in the forepart of 1951, I believe it was. [256]

Q. In the forepart of 1951? You did no more road building after June, 1951, say?

A. I don't know.

Q. What is that answer?

A. That I just don't know.

Q. Mr. Stegmann, we have got to get some specific answers about this \$22,000 if we can. You spent \$11,325 on road building. To whom did you pay this?

A. That was paid to John D. Bailey.

Q. Where does Mr. Bailey live?

A. I don't know. He was from around Roseburg, I believe.

Q. Where did he do this road building?

A. As I said before, I think it was up on Peavine and Coast Creek.

Q. Would you explain where Peavine and that other location——

A. Peavine is on Route 3, McMinnville.

Q. What is the other location you mentioned where you did some road building?

A. Up on Coast Creek.

Q. Coast Creek? A. Yes.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Where is that?

A. Well, that is just south of Peavine a couple of miles or about four, something like that.

Q. You contracted with this man to do the road building and [257] paid to him this entire \$11,325, is that correct?

A. Yes.

Q. You believe that was done prior to, say, July, 1951?

A. I just don't know. Some of it was done at different times.

Q. Was some of it still going on in August and September, when you were dealing with the Winans?

A. I don't know.

Q. You do not know?

A. No.

Q. Do you know when you made your last payment to this road builder?

A. I believe it was in the middle of the summer.

Q. Was it before or after August 11, 1951?

A. I just don't know.

Q. How would you find out?

A. Well, if I could find my receipts and what not, but I am not able to find them.

Q. How did you pay this road builder?

A. That was paid in cash.

Q. You received a receipt from him?

A. Yes.

Q. Did he make a duplicate of the receipt, a carbon copy of it?

A. I don't remember.

Q. But he gave you a receipt? [258]

A. I am sure.

Exhibit No. 21—(Continued)

(Deposition of Walter Stegmann.)

Q. Did you pay him more than once?

A. No, I don't believe so.

Q. You made a lump-sum payment of \$11,325. You had never advanced him any money?

A. Well, I don't remember.

Q. Mr. Stegmann, you can certainly remember whether you paid the man \$11,325 or whether you paid him in certain installments, can't you?

A. I just don't remember.

Q. You want to stand on that answer?

A. I don't know. I don't remember whether—it has been quite a little while and I just don't remember. [259]

* * *

EXHIBIT No. 22

United States District Court

District of Oregon

Civil No. 6242

TITLE AND TRUST COMPANY, a Corporation,

Plaintiff,

vs.

CHET L. PARKER, LOIS M. PARKER, WALTER STEGMANN, ETHEL WINANS, PAUL and ELLA O. WINANS, Husband and Wife; LINNAEUS WINANS, R. C. ELDER, STATE OF OREGON, HOOD RIVER COUNTY, a Political Subdivision of the State of Oregon, and the UNITED STATES OF AMERICA,

Defendants.

DEPOSITION OF CHET L. PARKER

One of Defendants

Taken in behalf of Plaintiff.

* * *

Q. (By Mr. Buell): First of all, I might ask you whether or not you have had an opportunity to read a copy of the transcript of Mr. Stegmann's deposition in connection with this case?

A. Most of it.

Q. When did you first meet Walter Stegmann?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I wouldn't know.

Q. Do you know where you first met him?

A. No, I wouldn't remember at all.

Q. You have no idea how long you have known him? A. No, I wouldn't exactly.

Q. Did you first meet him socially or in a business way or in just a casual way?

A. Well, since I don't remember when I met him I wouldn't know how I met him.

Q. When was your first business transaction of any kind with Mr. Stegmann?

A. That is purely a guess, but I would think probably in 1949, or thereabouts.

Q. What kind of a transaction was that?

A. It seems like it was—he was loading out some logs that originally belonged to me. I sold some cold decks to [7*] the Willamina Lumber Company.

Q. You say you sold Mr. Stegmann some cold decks?

A. No. It was in connection with some loading that he might have accomplished for the Willamina Lumber Company concerning some cold decks that I sold the Willamina Lumber Company. Now whether there was any—whether he dealt indirectly with me on that through the Willamina Lumber Company I don't know. I can't remember exactly, but it is possible he did.

Q. As I understand that transaction, you are not

*Page numbering appearing at top of page of original Reporter's Transcript of Record.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

sure as to whether Stegmann was doing the loading for you or for Willamina Lumber Company?

A. Well, Willamina Lumber Company purchased the logs from me, and whether the loading was figured in against the cold decks I don't know. However, I didn't pay Stegmann nor any of his help or have any written agreement of any kind with him. [8]

* * *

Q. What was the next occasion that you had to do any business with or have any association with Mr. Stegmann?

A. I loaned him some money on a logging job at Gopher Valley. I think that probably was the next time, or the first one I had anything to do with, that is.

Q. The Gopher Valley tract that Stegmann was working was the Arthur timber, was it not? [10]

A. That was part of it. I don't remember—I am not sure whether the principal deal was with Arthur, Arthur timber, or not. It seems like it was Murphy-Nelson, maybe. I am not sure. It was thereabouts in that area, yes.

Q. When did you make that loan?

A. I don't remember exactly. It seems like sometime in '49; the last of '49, as I remember.

Q. How much did you loan him?

A. I don't remember that exactly.

Q. Approximately how much did you loan him?

A. Well, it wasn't over \$10,000.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Was that a loan on a note?

A. No, that would be paid back on a per-thousand basis, as I remember. I am not sure about that, even. I suppose it was secured by a note.

Q. You don't remember whether it was or not?

A. No, I don't remember. I think it was, but I am not sure.

Q. Was that money advanced directly to Mr. Stegmann or to the owner of the timber or some other party?

A. No, it was directly to Mr. Stegmann.

Q. In cash?

A. Yes. By "cash" do you mean by check or in so many dollars?

Q. Let's break it down. Can you tell whether it was in actual currency or was it by check? [11]

A. By check, as I remember.

Q. Do you still have the canceled check?

A. I suppose so.

Q. Now, was that advance or loan secured by anything other than a note?

A. As I remember, it involved the timber or his contract on the timber.

Q. An assignment of the contract? Or a pledge?

A. Well, I am just a layman. I wouldn't know the terms of the thing. But it had to do with the timber, using the timber as security, with a supplemental thing, or something.

Q. How were the repayments made? By that I mean did Mr. Stegmann make them to you person-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

ally or did he make an order on the party to whom he sold the timber to pay you so much per thousand out of what he was getting, or what was the arrangement regarding that?

A. Well, as I remember, it was to be paid to me directly from the mills, so much per thousand.

Q. Do you remember which mills were involved?

A. No, I don't.

Q. Approximately when was that loan repaid?

A. I don't even remember that. I don't remember at all.

Q. Had it been repaid by the time of the purchase of the Winans timber? A. Yes. [12]

Q. Had it been repaid prior to the time Mr. Stegmann assigned his option on the Winans timber to you? A. Yes.

Q. Did you have any other interest in Mr. Stegmann's logging of the Gopher Valley timber other than getting your loan repaid? A. No.

Q. Did you receive any interest on that loan?

A. I don't remember whether the contract was on a per-thousand basis, us to put up the money for the road, using that as the basis for the total payoff, or whether it was on an interest-bearing basis. I don't remember. It was one or the other.

Q. Was that where the proceeds of the loan were used, in building a road into the property?

A. Yes.

Q. Did you participate at all in the laying out

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

of the road or the actual building of it or the running of the work to have it built?

A. No. As I remember, he submitted to us a traverse.

Q. When you say "to us" whom do you mean?

A. To my wife and myself.

Q. You and Mrs. Parker?

A. And we sent a cruiser in to cruise the timber.

Q. Did you supervise in any way the building of the road?

A. Absolutely none whatsoever. [13]

Q. How about the logging of the timber?

A. None whatsoever.

Q. Can you give us any estimate at all as to when that particular loan was repaid? A. No.

Q. What was the next business transaction you had with Mr. Stegmann?

A. It seems like—oh, yes. I believe the next one—of course, I am not sure about each and every one, but, as I remember, the next one was a cash loan. I loaned Mr. Stegmann, as I remember, \$22,000.

Q. Approximately when was that loan made?

A. Well, I don't remember exactly. Right away after the logging was completed, or thereabouts, on this Nelson piece.

Q. What did Mr. Stegmann tell you he wanted to use the money for, if anything?

A. I don't remember.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. How was that loan made? Was it all paid to him at once or what?

A. Yes, all paid to him at once.

Q. Again by check? A. No, by cash.

Q. Where did you obtain the cash to loan him the \$22,000?

A. You want to know each and every place?

Q. Yes.

A. Some of it—approximately the first of it was obtained, [14] I guess, in 1937.

Q. Excuse me a minute, so we won't have any misunderstanding. This probably might help you in answering the question. I don't believe I asked you whether or not that was all paid to Mr. Stegmann at the same time.

A. As I remember, you did ask it. It was paid to Mr. Stegmann at the same time.

Q. Now, when I say where did you obtain the money I am not referring to particular profitable business dealings that you had had in the past, but what I am referring to is whether or not you drew it all out of the bank at any one time or whether you drew part out of the bank and got part from another source. Do you understand? Do I make myself clear?

A. No. That was an accumulation of cash over a period of years, and I can tell you practically where all of it came from, each item.

Q. You go ahead and answer the question.

A. It started in approximately 1937, as I remem-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

ber. I cut wood for 90 cents a cord for the first part of it. My wife helped. In 1938 I sheared sheep for 8 cents apiece, and I accumulated it, and my wife helped. And I sold off some of my estate property and accumulated some of it. I accumulated some of it in 1942 on Midway Island. Other items were furniture we had sold, personal items, to that total, and exceeding that total. There was some left. [15]

Q. As I thought, you misunderstood the question. I will try to make it clearer. When you gave Mr. Stegmann this \$22,000 where had you gotten the cash yourself?

A. I got it out of my safe deposit box or, rather, my wife did, as I remember.

Q. At that time you also had a checking account in the bank, did you not? A. Yes.

Q. Was there any particular reason for getting it out of your safe deposit box instead of out of your checking account?

A. Well, there was a personal reason. I thought it had just as well be earning some money as lying in the cash reserve.

Q. Was that all of the money you had in your safe deposit box? A. No.

Q. How much additional funds did you have in your safe deposit box at that time?

A. I don't remember exactly at that time.

Q. Approximately how much did you have?

A. Oh, approximately probably ten thousand more.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. You say you don't recall what, if anything, Mr. Stegmann said he wanted to do with the money?

A. Well, it had to do with his business, as I remember.

Q. Did you receive a note for that loan?

A. Yes. [16]

Q. And where is that note at the present time?

A. It is in my attorney's office.

Q. Did you receive any security for the payment of that loan other than a note?

A. Yes, as I remember.

Q. What was the other security?

A. Equipment, as I remember.

Q. When you say you received equipment as security, what kind of a security transaction was it? Was it a mortgage or a bill of sale conditioned on the payment of the note, or what?

A. A mortgage, I suppose. I know we drew it. I don't know what it was. We used that for security, anyway.

Q. You and Mrs. Parker drew it?

A. My wife drew it.

Q. Without the assistance of any attorney?

A. There was no attorney anywhere around.

Q. Was that recorded? A. No.

Q. What equipment did it cover?

A. I don't remember.

Q. Did you inspect the equipment before you loaned the money? A. As I remember, I did.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Where did you have to go to inspect it?

A. That I don't remember. I faintly recollect inspecting it.

Q. You can't remember what equipment it was at all? [17]

A. No. It seems like a yarder was involved.

Q. Do you remember where the yarder was located?

A. No, I don't.

Q. Do you remember what kind of a yarder it was?

A. I don't believe that I do.

Q. Was it a used piece of equipment?

A. Yes, as I remember, it was.

Q. How much was it worth?

A. That I don't even remember.

Q. Did you calculate what you thought to be the estimated value at that time of the various equipment that was to be used as security for this note?

A. No. No, not that I remember, I didn't. I felt it was all right.

Q. Did you think it exceeded the actual amount of the note?

A. I thought it was security enough for what I had loaned him. [18]

* * *

Q. Would you explain, if you can, what the little hole is in the upper left-hand corner of the note?

A. Well, a hole is a hole. How can it be anything but a hole?

Q. That is a good answer. Would you explain how the hole got there more specifically.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, presumably it was torn. I wouldn't know. I never made it out. It was erased or something. I don't know.

Q. You are unable to account for that at all?

A. No, I wouldn't be able to. My wife made the note out. She may possibly make mistakes now and then and have to erase a little.

Q. Was this mortgage which has been marked Deposition Exhibit 2 for Identification made out or prepared at the same time that the note was?

A. As I remember.

Q. Were those documents actually prepared and signed on the date indicated?

A. Yes, it must have been. It says so.

Q. I think, Mr. Parker, you have been in business long enough [22] that you know such documents as deeds, mortgages and contracts are frequently dated as of an effective date but are not actually signed until sometime afterwards or on some occasions sometime before. My question is, so far as you can recall was the note and mortgage actually made out and signed on November 20th, 1950, on the date on which they are dated?

A. Yes. This was signed on the date which is indicated, or within a day or two. Maybe they might have been mixed up on just one particular day, or I don't know—maybe an evening or something, or maybe the next morning. But I know within a day or two. That is definite. We never did have any

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

contracts that we signed as a matter of prior or future arrangement that I remember of.

Q. Did you give Mr. Stegmann \$22,000 on the same day that the note and mortgage were executed?

A. Well, or else the next day, right then or the next day.

Q. Within a very short time after?

A. Within 48 hours.

Q. Do you recall whether it was you or Mrs. Parker or both of you who went to the safe deposit box to draw out the money?

A. It possibly was my wife. I wouldn't remember, but it possibly was.

Q. But you were present when the money was paid over?

A. As I remember, yes. [23]

* * *

Q. (By Mr. Buell): Coming back now to the \$22,000 loan, was that mortgage which has been marked as Deposition Exhibit 2, the only security that you received other than the note?

A. Yes.

Q. Then would you explain what the transaction was that is noted at the bottom of the mortgage under date of April 20, 1951, acknowledging an additional \$1,500 loan.

A. What was that loan?

Q. Yes.

A. I don't remember. I don't remember at all.

Q. Do you remember whether or not you ob-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

tained a note in connection with that \$1,500 loan recited there? A. I don't remember. [24]

Q. Before you advanced the \$22,000 to Mr. Stegmann, did you make any investigation of his credit standing? A. Yes, I did.

Q. What kind of an investigation did you make?

A. Well, among the people that he had been doing business with locally.

Q. Can you recall any of the particular persons that you contacted?

A. Oh, the Willamina Lumber Company, and Otto Heider. That is about all I remember right now. There was others, but that is two that I remember.

Q. What did you determine his credit standing to be at the time you made that loan?

A. Slow, but very good.

Q. Did you attempt to figure out at all what his net worth was?

A. No; no, not to the exact dollar.

Q. Did you attempt to determine whether or not his assets exceeded his liabilities at that time?

A. Yes.

Q. You found that he was rather heavily in debt at that time, did you not?

A. Well, considering his assets, I thought, no.

Q. Did you find that he had any assets other than the property that was mortgaged to you? [25]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Yes, there was other assets.

Q. Was there any reason for not including those in the mortgage?

A. This is what he wanted to make, and it was acceptable to me.

Q. This mortgage, Deposition Exhibit 2, purports to cover a converted Willamette yarder and a 200-horsepower Diesel engine. You still have no recollection as to where that was located at that time?

A. No, I don't remember.

Q. Do you have any idea what you decided that was worth?

A. No. No, I don't. I felt that there was security enough, that the items were security enough, plus the note.

Q. Was it in good condition?

A. Well, I don't remember. It was usable.

Q. Approximately what would it have cost you to have gone out on the market at that time and purchased a yarder and engine comparable to those?

A. I wouldn't know.

Q. Do you have any recollection now as to where the Austin road grader was located?

A. No. No, it was on some of his jobs somewhere, but I wouldn't know where.

Q. Did you actually inspect that yourself, also?

A. As I remember; or I had seen it previously. At some time [26] I had inspected it.

Q. Do you know what a comparable road grader

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

would have cost you if you had gone out and purchased it on the market at that time?

A. No. No, I am not an equipment dealer. I wouldn't know.

Q. What was the next business transaction you had with Mr. Stegmann following this loan of \$22,000?

A. Well, I suppose it was that \$1,500 written on the bottom of it. I don't know.

Q. I take it from your prior answer to my question you don't have much recollection at all about that \$1,500 transaction?

A. No. I think my wife loaned it to him. I don't remember a thing about it—right now, anyway.

Q. Then, aside from this \$1,500 transaction, what was the next business transaction you had with Mr. Stegmann?

A. Well, it seems like I loaned him some money on some more equipment, it seems like, or else on a note, concerning a \$10,000 deal or commitment of some kind. I forget the details. I think we have the note on it, if there is another one. [27]

* * *

Q. (By Mr. Buell): Mr. Parker, did you ever look at Mrs. Johnson's timber? A. Yes.

Q. When did you do that?

A. I don't remember.

Q. Was it before or after the checks payable to Mrs. Johnson had been cleared through the bank

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

pursuant to your loan arrangement with Mr. Stegmann? A. It was previous.

Q. With whom did you look at the property?

A. Mr. Bob Walker.

Q. Who is he?

A. He is a cruiser, timber cruiser.

Q. Where is he located?

A. Fenton Building, Portland, Oregon.

Q. How did you first learn of the Johnson tract?

A. In what connection?

Q. That it was potentially for sale?

A. I never did learn it was for sale. [32]

Q. How did you happen to go look at it?

A. Through strictly the invitation of Mr. Bob Walker.

Q. He contacted you and suggested that you go down and look at it; is that correct?

A. Well, I don't know whether he contacted me or not. At least he suggested I go along with him.

Q. There were just the two of you that went to look at it?

A. The two of us looked at it. His wife went along, rode along in the car.

Q. Did Mrs. Parker go along?

A. I don't believe so.

Q. How long prior to Mr. Stegmann's purchase of the timber did you look at it?

A. Oh, I wouldn't remember. Quite a little bit.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. By "quite a little bit," you mean several years?

A. Oh, no.

Q. Or several months?

A. Several months.

Q. At the time you looked at it, did you discuss the possibility of purchasing it with Mrs. Johnson at all?

A. No.

Q. Did Mr. Walker tell you it was for sale?

A. Not that I remember.

Q. Why did he want to go look at it?

A. Just to accompany him to look at it. [33]

Q. When he looked at it, did he cruise it?

A. Yes, he cruised it.

Q. Did he tell you for whom he was cruising it?

A. No, he didn't.

Q. Did you ever discuss this Johnson tract of timber with Mr. Stegmann prior to the time that he drew these checks in favor of Mrs. Johnson?

A. I never discussed this tract of timber with Stegmann at any time.

Q. I take it that he contacted you after he drew the checks so that you could notify the bank that the three checks that have just been marked as Deposition Exhibit 5 could be honored?

A. He contacted me, yes.

Q. You knew who Mrs. Johnson was at that time, didn't you?

A. I had met her when I was with Mr. Walker.

Q. Did Stegmann tell you that he was going to

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

purchase her timber when he asked you to clear the checks through the bank? A. No.

Q. And you didn't ask him anything about it?

A. No.

Q. Do you know what subsequent disposition Mr. Stegmann made of that timber?

A. I don't remember.

Q. Do you know whether or not it was [34] resold?

A. Yes, I think it was resold. I don't remember the particulars on it at all.

Q. Did you obtain any share of the profits on the resale?

A. I had nothing to do with the profits whatsoever. [35]

* * *

Q. Now, that would be four loan arrangements: The first loan of something less than \$10,000 that you referred to, the loan of \$22,000, the advance of \$1,500 which is noted at the bottom of the mortgage securing the \$22,000 advance, and this \$10,000 loan commitment. Had you ever had any other business dealings with Mr. Stegmann prior to the purchase of this Winans timber other than those four transactions? A. You mean directly or indirectly?

Q. Both. [36]

A. Both. Yes, my brother loaded some logs for Mr. Stegmann and used my loader.

Q. Your brother did what?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Loaded some logs for Mr. Stegmann, using my loader. It is a little indirect, I would imagine, but——

Q. When was that done?

A. I don't remember.

Q. Was that while he was logging the Gopher Valley tract?

A. I think maybe previously, but I am not sure.

Q. Do you know of any other actual logging operations that Mr. Stegmann conducted since your acquaintanceship with him, other than this Gopher Valley tract?

A. Not that he actually operated. I don't know. I wouldn't remember. I didn't know much about his business, so I wouldn't know.

Q. You have never loaned Mr. Stegmann any other money other than what you have told us about here this morning?

A. Well, indirectly through this loading I did. I paid my brother and then I took a second mortgage on his dwelling. If that would be considered a loan, then I loaned him some money.

Q. That is your brother Oscar, is it?

A. No, that is my brother Charlie. Charles W. Parker.

Q. Where does Charles live?

A. Near Buell, Oregon. [37]

Q. How much did you pay him?

A. I don't remember exactly. Thirty-some-odd

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

hundred, it seems like. It involved business arrangements with my own brother, between my brother and myself. But anyway, Mr. Stegmann owed the loader thirty-five hundred, as I remember it, or thirty-six hundred, somewhere in there. [38]

* * *

Q. Can you think of any other business dealings, direct or indirect, that you had with Mr. Stegmann?

A. How much time do you want to allow me to refresh my memory on it? Right at this moment I don't. Maybe I can think of one if you will give me a little time.

Q. Keep that in the back of your mind and I will come back to it later on in the deposition.

Mr. Jaureguy: I don't like to interrupt, but perhaps just for the sake of continuity, and so that this may be done prior to any conference I might have with Mr. Parker, could I [39] produce a document and show it either to you or to him?

* * *

Q. (By Mr. Buell): Mr. Parker, the Reporter has just marked as Deposition Exhibit 7, a contract which was handed to me by Mr. Jaureguy, dated March 23, 1950, between Walter Stegmann, Chet Parker and Rutheford Logging Company, to which is attached a document entitled "Statement of Amount Due on Mortgage from Stegmann to Parker," also dated March 23, 1950. I take it [40] from reading through that contract that it had some-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

thing to do with the first loan that you told us about, and on which you were not quite sure as to the amount.

A. Yes, it was pertaining to that.

Q. Do you need time to read through that to refresh your recollection as to the terms of that?

A. I don't know as I ever read the terms, but I don't believe so.

Q. How did it come about that you entered into that agreement?

A. Well, Stegmann wanted to quit logging and sell timber.

Q. Do you know how much timber there was left, approximately, on the Arthur tract, when that agreement was entered into?

A. Well, it would purely be approximate. Probably a million feet, or thereabouts.

Q. Had Stegmann's operations up until the time he entered into that contract with Rutheford been unprofitable? A. I don't know.

Q. Referring to the statement of account on the back of the mortgage, there is a recital there as due on the original mortgage, two thousand nine hundred some-odd dollars. Upon seeing that and refreshing your memory, can you give us any more specifically the amount of the actual, original loan?

A. No, I wouldn't remember at all. It was less than \$10,000, as I remember. [41]

Q. Then, apparently, you had been making addi-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

tional advances for some of the logging operations as well as the road work; is that correct?

A. I think this had to do all with the road.

Q. Is this a correct statement of the status of your account with Mr. Stegmann at the time this Rutheford contract was entered into?

A. It appears to be, yes.

Q. Don't these other sums indicated here for falling and bucking, and various sums set opposite the names of the individuals mentioned on there, represent additional advances that you made?

A. No, they don't represent additional advances. They represent money that I had to pay to keep the timber in a salable condition, or keep my contract in a salable condition.

Q. To keep the Arthurs from being in a position where they could foreclose the contract?

A. That is right. Since I had the contract for security, why, I had to more or less pay these, which I did.

Q. Did you actually hire the fallers and buckers?

A. No, I had nothing to do with the hiring of anyone whatsoever on that job.

Q. Were those sums paid to the workmen individually by yourself, or were they paid to Stegmann, who, in turn, paid his workmen? [42]

A. I think every one of these was paid to the people that is itemized here. There was withhold-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

ing tax. No doubt I paid that to the Government. [43]

* * *

Q. What type of business transactions have you acquired your money in?

A. Almost everything that you could do.

Q. What do you mean by that?

A. Well, there wasn't no definite reason to it. Anything I could make a dollar at, that is what I was doing.

Q. What have you done to make a dollar at?

A. You want it in detail?

Q. Yes.

A. Well, it concerns grain, farming, cattle, livestock, timber and logs, equipment, mechanical, and loans of all kinds, roadbuilding, construction, and various other smaller items. [52]

* * *

Q. Since that time, you have purchased many, many various tracts and interests in timber, have you not?

A. I don't know what you mean by many, but it has been more than one.

Q. You couldn't give an accurate statement of the number of timber transactions that you have been involved in, could you?

A. Yes, I think so.

Q. Approximately how many?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, it would take a little while to write them all down so I could memorize them.

Q. Well, how many?

A. Can I take ten minutes to think it over and tell you exactly how many? Do you want to know approximately or exactly? [53]

Q. Approximately.

A. Well, approximately, I suppose, a hundred. Up to now, you mean?

Q. Yes. A. Yes. That is purely a guess.

* * *

Q. You have been involved in litigation before this lawsuit, haven't you? A. I think twice.

Q. You have had occasion to seek legal advice frequently in the course of your business transactions, haven't you? [54] A. No.

Q. You have had occasion to seek legal advice on other occasions than the one or two lawsuits you mentioned that you had been involved in?

A. Not to a great extent, by any means.

Q. Have you conducted most of your various business transactions, then, without the assistance of legal counsel?

A. I would say about half and half.

Q. You feel that in 50 per cent of the cases, whatever the exact figure would amount to, in cases where you have not resorted to obtaining legal advice, that was because you felt that you were sufficiently familiar with business practices that you didn't need it? A. No.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Then what was the reason for not obtaining legal advice?

A. Well, my wife is somewhat familiar with that, for one reason, and the next reason was the amount of money they charge for that advice. And some people don't want any attorneys represented, the people I have been dealing with. They want to deal directly and solely with the man you are dealing with.

Q. Many of those transactions in which you have not had any legal advice, involved sums of money in excess of \$10,000, haven't they?

A. A few of them.

Q. Do you and Mrs. Parker collaborate jointly on all of your [55] business transactions?

A. Not always.

Q. Generally, do you?

A. I suppose, generally, you would say so.

Q. When did you first meet Paul Winans?

A. I don't remember the exact date. I believe it was on August the 18th.

Q. Where did you meet him?

A. In front of his—well, up where he lives up there. Supposedly, I guess he lives there.

Q. How did you happen to go up there?

A. Because that was the time that election to purchase was supposed to be signed and the amount of the \$4,000 check turned over to him, and I was

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

going to be the man that he was dealing with from then on.

Q. About what time of day was it that you got up there? A. Well, it was in the evening.

Q. Was Mrs. Parker with you?

A. I don't think so.

Q. You can't recall for sure about that?

A. No, I don't recall for sure.

Q. Was anybody else with you when you went up, or did you go up alone? Other than the possibility that you don't know whether or not Mrs. Parker was with you, was there anybody else? [56]

A. No one else was in my car when I drove up there, other than my wife that might have been there.

Q. Who had made the arrangements for you to go up there?

A. As I remember, I made the arrangements to go up there. I am not sure if I called Winans or he me.

Q. With whom?

A. With Mr. Winans, as I remember.

Q. Did you talk to him?

A. I called him on the phone, as I remember.

Q. Where did you call him on the phone from?

A. I don't remember.

Q. When did you call him on the phone?

A. I don't even remember that.

Q. Do you think it was the day you went up there, or sometime previously?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Oh, it was previous to that, but very recently.

Q. But an actual arrangement had been made, had it, that you were to go up there and he would be there?

A. Yes.

Q. In other words, you didn't just take the chance of running up and finding him at home?

A. No. I probably would have run that chance, but there was an arrangement made to meet there.

Q. Had you arranged to meet anybody else at that time?

A. Meet anyone else at that time? You mean somewhere else other than that? [57]

Q. No, at Paul Winan's place.

A. No, no.

Q. When you talked to Mr. Winans on the phone, what did you tell him?

A. I don't remember the exact words. I told him that I was involved in that deal; that I was going to take it over and Stegmann was going to pay him the \$4,000, and I was going to take the deal over. I was going to come up there late in the afternoon, as I remember telling him, and I was going to see that Stegmann turned over—gave him the \$4,000 check, and that he distinctly understood that from then on he was dealing only with me.

Q. You told him that on the telephone?

A. Yes, because he was curious.

Q. What day of the week was that, do you remember?

A. Oh, I don't remember what day of the week it was.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. When you got to Paul Winan's place, who else was there?

A. Well, as I remember, Stegmann was there, and Carl—let's see. There was two Stegmans there, Carl and Walt, I believe, and Paul Winans. I believe both Stegmans were getting ready to leave. I am not too sure about that. They hadn't left yet. They were there. Maybe others were there; if so, I did not know them.

Q. When you arrived, had the \$4,000 been paid?

A. Yes.

Q. Did you obtain a signed copy of the notice of election to [58] purchase at that time?

A. It was shown to me.

Q. To whom was it given?

A. Pardon me?

Q. Who got the signed copy?

A. I don't remember whether I got it or who got it. It seems like I got it.

Q. What happened after you arrived there? In other words, what was said and how long were you there?

A. I can't remember everything, but I remember one thing distinctly, in the presence of Mr. Stegmann and Mr. Winans, Mr. Paul Winans, that from that time on, Mr. Winans was dealing with me on the purchase option, this option that Mr. Stegmann had from Mr. Winans. And the discussion came up about title to the properties, and he said he would

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

furnish an abstract. I told him I wanted title insurance. He said, "Well, I have a policy now of \$8,000"—as I remember, he said \$8,000—"on it now." He says, "I am not interested in buying any more title insurance, but we will give you an abstract." I says, "I am not interested in getting an abstract. I will take care of it." Our business was very brief, and I left.

Q. Did he show you the policy of title insurance he had on it?

A. No, but he hunted for it. [59]

Q. Was anything said at that time by Mr. Winans about there being any question about the title?

A. Question about the title? You mean the title not being any good?

Q. Yes.

A. No, nothing mentioned at that time about any title not being good. In fact, just the reverse was told me; that it had a very excellent title, he had title insurance, and he could give me an abstract, both.

Q. About how long were you up there that evening, altogether?

A. I don't remember. Probably a half-hour. [60]

* * *

Q. Who left first?

A. I don't remember. What do you mean, first? Do you mean Paul Winans or myself?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Or Stegmann or his brother.

A. I don't know which one left first. I don't know. I know Stegmann was there when I told Mr. Winans that. I did ask Mr. Stegmann if he signed that, and he said he did. And they wanted me and for him to sign the top one, too, on that thing, and I said no, he was dealing with me now, and Stegmann had nothing to do with that deal on top, whatever it was. I don't know what it was now.

Q. The deal on top of what?

A. On that election to purchase.

Q. I will hand you a copy of the notice of election to purchase, Mr. Parker, and ask you to designate, if you will, what it was they wanted you to sign. [61]

A. They wanted me to sign that line right there. He wanted Mr. Stegmann first to sign on this line, and then he wanted me to sign on this line.

Q. That was after you had arrived, and after the \$4,000 check had been delivered to Winans?

A. Yes.

Q. When you say, "this line," you are referring to a blank line at the bottom of the first paragraph under "Notice of Election to Purchase"?

A. Yes. As I understood this, this is two separate agreements, and both have a separate heading, even though they are both on the same page.

Q. They were on the same page in the original

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

document, too, were they not? A. Yes.

Q. Had Paul Winans and Ethel Winans signed the two lines beneath the acknowledgment of notice?

A. As I remember, yes.

Q. At the time you arrived there?

A. As I remember, yes.

Q. You say they first asked Mr. Stegmann to sign the notice and he refused?

A. Either they told me—you see, they discussed it there. Stegmann said, "I have nothing to do with that any more. Why should I sign it?" And I came along and they wanted me to [62] sign it. I told him I had the money to pay for it and it wasn't necessary to sign anything.

Q. They actually showed you the original document? A. Yes.

Q. And Stegmann's signature was not on it?

A. Not on here, no. There was no signature here. When I left, there was still no signature here.

Q. When you say, "here," you are referring to the signature line beneath the "Notice of Election to Purchase"? A. Yes.

Q. Did you get a signed copy of the notice of election to purchase, that night?

A. As I remember, yes.

Q. You don't think Stegmann took it with him?

A. No, I am sure he didn't. I am sure I took it with me. [63]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. When did you first learn that he had acquired an interest in or an option on Winan's timber?

A. Well, it was on Sunday——

* * *

The Witness: It seems to me like it was on August the 13th or 14th, but I am not sure of the date. It was on a Sunday. I remember it was Sunday.

Q. (By Mr. Buell): We have a calendar here, I think, showing that August 12th was Sunday.

A. Then it must have been August 12th.

Q. If you want to refer to it at any time to refresh your recollection, go ahead. Where were you when you first learned of it?

A. I was at my brother's place in McMinnville, Oscar Parker, Brockwood Hill.

Q. That is close to where Stegmann's house was located?

A. Within about 200 feet.

Q. How did you happen to go over to your brother's that morning? [64]

A. I don't know why I happened to go over there. I go there quite frequently.

Q. Did you know that Stegmann was going to be home that morning?

A. I certainly did not.

Q. Stegmann hadn't called you the day before?

A. He possibly could have called me, but not anything to do with being home.

Q. Did you stop by Stegmann's house?

A. No, I didn't.

Q. Where was he when you saw him?

A. I believe he was either hoeing his corn, or else mowing his lawn. I am not sure which.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Did you see him when you were going, or when you were coming?

A. I don't remember whether I was going or coming, either one. I believe I was standing out there, just being there.

Q. What did he say?

A. Well, he said, "Hello," I guess.

Q. Anything else?

A. And made some discussion about some equipment he had of my brother's, as I remember, and walked in the shop.

Q. Whose shop?

A. My brother's little shop there. And the discussion came naturally around to timber, and he said he had a piece of timber [65] that he would like to—that he was going to sell. I got interested very readily. I indicated to him I would like to take a look at it.

Q. Did he tell you where the timber was located?

A. He told me up around Hood River County, and he told me it was good timber. And I knew that he should know what good timber was, and I was interested.

Q. Was anything else discussed?

A. I wouldn't remember. There possibly could have been other things, but apparently of no consequence.

Q. Did you make arrangements to see it?

A. Yes.

Q. When?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. The next morning, as I remember it. [66]

* * *

Q. Then, when you met Stegmann in Hood River the following morning, did you go right up to the property? [68]

A. Yes.

Q. Did you have any trouble finding it?

A. No, no, because he drove his car up and I just followed him.

Q. That was August 13th?

A. Well, I don't know whether it was—it was the following day, anyway, after that Sunday.

Q. It was a Monday?

A. As I remember, yes.

Q. How long did you spend on the property?

A. Oh, I don't know how long it was. From whatever time we got there until late evening. Well, late evening—just before dark, I would say, approximately. [69]

* * *

Q. How much timber did you conclude was on the entire tract?

A. I don't remember. It seems like, only from memory and I am not sure, but it seems like there was around six million feet.

Q. Could you give us any estimate in hours that you were up there on the property?

A. No, I couldn't. I spent a day there, a big, long day. [72]

* * *

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Did you go into the Ranger Station up there, of the Forest Service employees that first day?

A. At Lost Lake?

Q. Yes.

A. I don't know whether I did or not.

Q. Do you recall discussing the timber with any of the Forest Service employees that first day?

A. No; no, I don't remember anything about that at all. [75]

Q. Was it dark by the time you left the timber?

A. I don't remember exactly. I don't believe it was, quite.

Q. Then after you left what did you do? Where did you go?

A. I went back to Hood River.

Q. Had Mrs. Parker come up to Hood River with you that day?

A. As I remember it, yes.

Q. Did she go up on the property?

A. No, no. I know she didn't go on the property.

Q. Where did you meet her after you left?

A. I believe it was in the Apple Blossom Cafe.

Q. About what time of day?

A. Well, we had an agreement made when we was to meet, but I forget. It was late evening.

Q. Did you go directly from the timber to the cafe?

A. Yes, as I remember, I went directly from the timber to the cafe.

Q. Did you transact any other business after you

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

came out of the timber that day, and before you met Mrs. Parker?

A. No. No, I don't recall transacting any more business.

Q. After you met your wife what did you do?

A. Oh, I think I ate dinner.

Q. Then what?

A. Well, as I remember, we got into our car and drove up to The Dalles.

Q. For what purpose? [76]

A. To purchase the option of Mr. Stegmann, or the timber, that is. I believe he showed me the option on the previous Sunday. But anyway, to purchase the timber.

Q. Had you made arrangements to meet him before you came down out of the property?

A. Yes.

Q. Did you both leave up there at the same time?

A. No.

Q. Who left first?

A. I don't know when he left.

Q. He wasn't with you, then, the entire day?

A. Oh, no. He showed me the corner, and what he did after that I don't know. [77]

* * *

Q. Then, when you got to The Dalles that evening, was Stegmann there when you got up there?

A. Yes.

Q. When had you made the arrangement to meet him, if any? [79]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. The last time I saw him at Lost Lake.

Q. Did you tell him that you would be up there that evening?

A. I told him I would be up there to tell him one way or the other whether I would take it or would not take it.

Q. Did you discuss the timber with anybody else from the time you last saw Stegmann up at the property at Lost Lake, to the time you went up to see him at The Dalles?

A. I don't remember of discussing it with anyone else, but I possibly could have.

Q. You discussed it with Mrs. Parker, did you not? A. I suppose.

Q. When you say you suppose, did you or didn't you? A. I just don't know.

Q. When you went up to The Dalles, did she know what you were going up for?

A. I would imagine she did.

Q. Did you have any discussion with her in detail as to the amount of timber there was on the property and whether or not you ought to buy it?

A. I don't think so.

Q. Had you at that time learned how much Stegmann wanted for it?

A. Well, he had some figures, but then we hadn't worked out any definite figure on it.

Q. What were his figures? [80]

A. I don't remember.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Had you learned at that time how much he was going to have to pay the Winans under his option?

A. Apparently, at that time I knew that the option was from Winans, and the amount that was to be paid.

Q. You still didn't know who the owner of the property was?

A. In addition to knowing that the Metsker map noted that Winans owned these properties, I apparently also knew that the option was given by Winans.

Q. When did you check that?

A. After I got back to the car. After I got back and picked up my wife.

Q. Where did you check it?

A. I checked it in the back seat of my car.

Q. It was your Metsker map, was it?

A. Yes, I had a Metsker map.

Q. Where did you acquire that?

A. I don't know.

Q. You had had it for some time?

A. Oh, yes. I had several maps; lots of counties in Oregon. In fact, I didn't even remember having it until my wife mentioned it to me that we had a map of that.

Q. Insofar as you were concerned, the first time Winans' name was brought to your attention, was

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

when you got back to your car after you had picked up your wife and got out your [81] Metsker map?

A. I think it was the Sunday before, when I saw the option at my brother's home.

Q. Then, about when was it that you got to The Dalles?

A. I think it was before dark that I got back to The Dalles.

Q. How long were you at The Dalles?

A. I don't know that.

Q. Was Stegmann there when you arrived?

A. Yes.

Q. Did both you and Mrs. Parker go in when you went there? A. Yes.

Q. Do you remember what the address was, or where it was?

A. No. It was at The Dalles, up on the hill somewhere. That is all I remember.

Q. In an apartment house or a house?

A. Gosh, I don't know. It was in a house.

Q. Then after you got in what took place? What did you say and what did he say?

A. Well, I don't know. There was a lot of discussion. Naturally, he wanted a bigger price and I didn't want to pay him that price.

Q. How much did he want?

A. I don't remember that. I remember it was more than what I paid him.

Q. How much more? [82]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I don't remember.

Q. Were there any counter-offers made back and forth?

A. As I remember, he had a price, and I don't remember what that was. And I just had a price figured out, and that was the price that I paid for it. There was no—that was the end of it, finally. I said I would pay that much and that was it.

Q. When did you first learn how much he had to pay for the option?

A. I don't know when I did learn that the first time.

Q. Did you see the option before you reached an agreement as to how much you were to pay him?

A. I believe Stegmann did tell me the description and showed me the deal or told me the deal.

Q. How had you arrived at your \$25,000 figure?

A. I figured the cost of logging and approximately the log average that I would receive, and figured the stumpage value from that, and allowed myself plenty of leeway.

Q. Was that all in the same notes that you made? A. Yes.

Q. Did you figure that out on the way up to The Dalles? A. Yes.

Q. You still can't remember when you first learned what the option price was? [83]

A. No, I don't remember. It was some time previous to August 18, I think.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. After your figuring from your rough cruise the approximate yield that the property would make, you came up with a gross figure of \$25,000 to buy the option?

A. I came up with \$125,000 worth of timber and nothing for the land, but just figured the timber value at \$125,000, as I remember.

Q. From there how did you come to \$25,000?

A. Well, then he tells me what he has got on it, the deal he has worked out on it, as I remember.

Q. The deal?

A. Yes, the deal he has got on it.

Q. You mean with the Winans?

A. As I remember.

Q. I thought you said that you had gone up there and that you knew you were going to pay him \$25,000, no more and no less.

A. When I went to The Dalles, yes.

Q. That \$25,000 was what you were supposed to pay Stegmann for the option? A. Yes.

Q. Had he been discussing a substantially larger figure than \$25,000?

A. It was more than that, but I don't remember how much more.

Q. How long were you at Stegmann's apartment house, or [84] whatever it was, that night?

A. I wouldn't know. I wouldn't remember. Possibly an hour.

Q. I still don't understand how you arrived at

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

the \$25,000 flat figure before you got to The Dalles?

A. I figured the value of the timber at \$125,000, and Stegmann told me how much the deal is, so naturally his figure would be \$25,000.

Q. I understood you to testify a minute ago that you didn't think you learned what the option price was until August 18th.

A. Well, as I remember it, but I wasn't sure about it. I also testified to that. I mean in the sense of seeing it. He told me about it there at that time, as I remember.

Q. Did you have any discussion as to where the better part of the timber was on the tracts?

A. Not that I remember.

Q. When you cruised it, you cruised it as one tract? A. That is right.

Q. Then when you purchased the option from Stegmann you purchased the option on the entire tract? A. That is right.

Q. Was there any discussion as to breaking down values on the 25-acre and the 40-acre tract?

A. No, not with Mr. Stegmann. [85]

* * *

Q. Did you look at any of the plats of the title company when you ordered the report?

A. Well, the lady brought out a file there and showed me where there was a title policy on it at that time in force. If there was a plat attached to that, why, possibly I looked at it. I don't know. [86]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. But the file, you say, showed that there was a title policy on it?

A. As much as I could decipher the file. She told me so in that many words, that there was a title insurance policy on it.

Q. Did she say in what company?

A. No. I rather gathered it was the company there. The reason for that is because she said she would allow—if I ever got a policy on it she would rewrite that policy.

Q. What else was said?

A. I don't remember much other conversation.

Q. Did you order a policy at that time?

A. No, I ordered a report. [87]

* * *

Q. Did you order the original title report before you went up on August 13th to look at the property?

A. I don't know when I ordered that title report. It was just a few days before I picked it up.

Q. The events of that day are not clear enough in your mind that you can state whether or not you went in to the Title and Trust Company's office in Hood River before you went up—

A. I think I probably ordered the title report on August 13. [90]

Q. Did you go in when you came back down?

A. I think I returned to Hood River earlier

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

than was my recollection at the time of the deposition, and it was not too late to go in.

Q. Then is it your testimony that you didn't go in there on Monday, August 13th?

A. I think I probably went in there on Monday, August 13. [91]

* * *

Q. What arrangements were made relative to the second payment under the option?

A. Well, there was none made with Stegmann.

Q. Didn't he make a second payment?

A. Oh, under the option. I am sorry. I thought you meant the final payment under the option.

Q. No, I mean the \$4,000 payment.

A. We are referring to the \$4,000 payment?

Q. Yes.

A. Then he was to make the \$4,000 payment, and I was to take [92] it from there.

Q. Was that decided upon before you asked him to survey out the reserved area?

A. Yes, as I remember, it was.

Q. What reason was there for him to make the second payment?

A. I had a reason for that. I wanted him to complete it up to that point, to the amount of \$5,000 paid.

Q. Why?

A. Before I took over. I thought it was more businesslike.

Q. In what respect did you think it was more businesslike?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, it seemed to be the place for me to cut it off, for me to take over and for him to quit.

Q. It would have been just as easy, would it not, to have knocked \$4,000 off the price you paid him for the option?

A. Yes, and it would have been just as easy to forget the whole thing. But I didn't. I wanted to cut it off, and I decided to do it that way, and that is the way it was.

Q. Did you have any particular reason for having Stegmann take care of working out the reserved portion of it?

A. No particular reason other than that he would probably be a little cheaper than anyone else.

Q. Did you reach any agreement that night as to how much he was to be paid?

A. Yes, as I remember, we did.

Q. How much? [93]

A. I don't remember the amount. It seemed like it was three hundred and something. \$350, I believe. [94]

* * *

Q. Did you have any discussion that evening—I am referring to the evening when you were all there at Paul Winans' on the 18th—did you have any discussion relative to this reserved area?

A. Possibly, but I am not sure. I believe Mr. Winans mentioned that the swamp area was the area he wanted reserved.

Q. What was the reason, if any, for extending

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

the time within which to stake out the reserved area?

A. Well, Mr. Winans never could get anything done, I suppose.

Q. Was it your understanding that that was supposed to have [98] been done before the notice of election to purchase was worked out?

A. I don't remember whether I understood it that way or not.

Q. You don't remember when you next had occasion to talk with Stegmann after the 18th?

A. No, I wouldn't remember.

Q. Did you personally see him at any time after the 18th before the deal was finally closed?

A. Yes, I think I saw him after that.

Q. When?

A. I don't know exactly when the next time was.

Q. When was the next time that you can remember?

A. Well, I remember being up there with him one day, with Paul Winans, when he was surveying the reserved area.

Q. Was anybody else up there?

A. Well, as I remember, there was Winans and his brother, maybe, and my son and myself and Mr. Stegmann.

Q. What did you do that day?

A. Oh, cut a little brush, and Stegmann showed

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

me how to run the compass, and I ran the compass a little.

Q. How long were you up there on the property that day?

A. I don't know. I suppose all day.

Q. Was it understood by everybody at that time that you were the owner, or you were the purchaser? [99]

A. That is right.

Q. Do you have any way of placing that date at all?

A. The date was probably August 31, 1951.

Q. Following that day did you ever see or talk to Stegmann again before the deal was closed?

A. I suppose I did. I don't remember.

Q. When is the next time that you remember of——

A. Of seeing Mr. Stegmann?

Q. Or talking with him?

A. Oh, I remember——

Q. That is, either in person or by telephone.

A. Oh, I remember sometime in September I told him about the title trouble one time. I remember that. It was on the phone, it seems like. I don't know whether I saw him that time or not.

Q. Did you have any discussion with him as to the details of working out the description of the reserved area between the time you were up there with him on the day you were surveying, and Ross and Paul Winans were up there, or Paul and his

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

brother, I guess it was—did you have any discussion with Stegmann as to the reserved portion between that time and the time the deal was closed?

A. Possibly so. Not that I remember distinctly.

Q. When did you first learn that there was going to be more than 8.88 acres reserved? [100]

A. I think Stegmann told me.

Q. When? A. I don't know.

Q. Or where?

A. Well, he told me on the phone.

Q. That was before the deal was closed?

A. That is right.

Q. Did he call you up specifically for the purpose of telling you that?

A. I don't remember whether he called me or I called him. I think there was one other discussion at that time, when he was going to deliver that deed. As I remember, I told him that I wasn't going to wait any longer for him. The 10th—that was it—that was as long as I was going to wait. If the deed wasn't there the 10th, why, the deal was off.

Q. What were you going to do about the \$5,000?

A. I hadn't speculated on that. I figured he probably would go ahead with the deal.

Q. Did you consent to having the amount of the reserved area increased from 8 to approximately 10 acres, or whatever it was? A. Yes.

Q. That was at the same time of this same telephone call you mentioned when Winans called you to tell you about it?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. No. I believe this was on August 31, [101] 1951.

Q. When was this \$4,700 refund in the purchase price agreed upon?

A. At that time, as I remember it. That is on August 31, 1951.

Q. That same telephone call?

A. As I remember.

Q. Do you remember what the exact amount was?

A. No, I don't remember the exact amount.

Q. How did you arrive at that figure?

A. As I remember, it was his offer, and I accepted it.

Q. That was to cover the additional approximately two acres, wasn't it?

A. Whatever the additional was. I think it was nearer three than two, maybe.

Q. Then you have now testified that you called Paul Winans sometime before you went up to his place on the night the notice of election to purchase was signed; that you saw Paul Winans there that night of the 18th, and that you also saw him on at least one occasion after that when you, Stegmann, your boy and Paul were up surveying the reserved area; and you have testified to this telephone call regarding the additional reserved acreage. Did you ever see Paul Winans other than on those two occasions?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I could have, but I don't remember of it. I possibly could have again.

Q. To make the question a little bit more specific, instead [102] of just seeing him did you ever meet with him on any other than those two occasions?

A. In person?

Q. Yes.

A. I don't know whether I did or not. I don't believe so. [103]

* * *

Q. Do you remember when she went to Hood River to make the final closing payment?

A. It seems like it was on Saturday. I don't know whether it would be the 9th——

Q. That was September 8th (referring to calendar). A. The 8th? [116]

Mr. Jaureguy: Saturday is the 8th.

Q. (By Mr. Buell): It is your recollection she went up Saturday? A. I believe she did.

Q. Did she stay up there the entire week end or did she come home nights?

A. I think she came home.

Q. Did you go up to Hood River on that Saturday with her?

A. No, I don't think so. If I did, I went right on through.

Q. Did she tell you what had happened or what had developed while she was up there Saturday?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. She might have, the development of it. I suppose she did.

Q. Do you remember at all what she told you, if anything? A. Not in essence, no.

Q. Were there any uncertainties remaining when you saw her after she had been up there Saturday?

A. Uncertainties relative to what?

Q. Relative to the closing of the transaction.

A. No, I don't believe so, that I remember, only that she got advice not to close that evening, as I remember, but to close the next Monday.

Q. Did she say whom she got that advice from?

A. I think it was Mr. Abraham, the District Attorney, as I remember.

Q. Had you suggested that she go to see Mr. Abraham? [117] A. Yes, I did.

Q. Before she went up Saturday? A. Yes.

Q. Did she have a copy of the proposed deed when she came back Saturday?

A. I don't know.

Q. You don't remember seeing one?

A. I don't remember.

Q. When you say you don't remember, do you mean that in that sense?

A. I just don't remember.

Q. Or that she could have or she could not have, either way?

A. Either way it could have been.

Q. Then did either you or she do anything in

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

connection with this closing transaction on Sunday, which would be the 9th of September?

A. Well, it seems like—not anything to do with the closing, but possibly she may have got the money on Sunday to take up on Monday.

Q. Do you know how she got the money?

A. Well, she got it in a check, some kind of a guaranteed check of some kind.

Q. Where did she get it?

A. I suppose where we had money in the bank there at The First National Bank of [118] McMinnville.

Q. Do you have any recollection of either you or she or both of you going to McMinnville on that week end?

A. Well, I think we went—we stayed down there that week end. I do not remember for sure where we stayed.

Q. I see. Had you sent a copy of the proposed description of the reserved tract by Saturday, September 9th? A. I don't remember.

Q. Did Stegmann ever contact you and tell you that he had finally agreed upon the description?

A. No, I don't believe so, but he might have. He might have phoned me.

Q. There again you have no specific recollection one way or the other? A. No, I don't.

Q. Did Mrs. Parker have anything to say about the description of the reserved tract when she got back September 9th?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I don't believe so, that I remember. She might have discussed it some.

Q. Didn't she go to Hood River on that Saturday with the intention of closing the deal that day, if possible?

A. Well, I think so, as I remember, to close the deal.

Q. But you can't remember her giving a reason for not closing it?

A. Well, I suppose the usual reason: They just never got around to anything. [119]

Q. Did she say anything about having seen Stegmann in Hood River that Saturday?

A. No. She didn't tell me she did.

Q. Then Monday did the two of you go from McMinnville to Hood River together?

A. I don't remember. It seems like I took her up to Hood River and went on from there and left her there early, before anything was open. Maybe we were already at Hood River.

Q. Did you tell her what she was supposed to do?

A. No.

Q. Did she tell you what she was going to do before you left her?

A. She was going to see Mr. Abraham.

Q. Anything else?

A. That is all I remember. She might have mentioned she was going to be at a certain place in the evening so I could pick her up, or something

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

of that kind, but I certainly don't remember the place nor the exact time.

Q. Did you pick her up that evening?

A. I believe I did, but I don't remember distinctly.

Q. You don't have any recollection of that at all? A. No, I certainly don't.

Q. Do you recall seeing her that evening at all?

A. Possibly I did at home some time. I don't remember. I just don't recall anything about how she—I am sure she [120] didn't take a bus home. No doubt I picked her up.

Q. But you don't recall her telling you anything that had happened on Monday, the 10th?

A. No, I don't recall Monday, the 10th, that she told me anything. When I picked her up no doubt she said it was finished, all completed.

Q. Is it your recollection that she at one time told you that the deal was completed on September 10th?

A. No. She may have told me the 10th, 11th or 12th, and I wouldn't remember it.

Q. By that do you mean you have no recollection, then, of when the deal was completed?

A. Well, as I understood it, it was recorded on the evening of the 10th or possibly the 11th, the morning of the 11th. I am not sure. The deed speaks for its own date. I don't remember. It seems like it could be closed the 9th or 10th and

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

was recorded the day of the 11th, something like that.

Q. I am not interested—as you say, the deed speaks for itself. But what I am trying to find out, Mr. Parker, is what your recollection is of when you first learned from Mrs. Parker that the deal had been closed and what she told you at that time.

A. Well, after the deed was recorded she told me the deal was completed. Exactly the hour afterwards I don't remember, and what she said at that particular time exactly I don't [121] remember, other than no doubt she told me the deal was completed.

Q. You don't recall there having been a second overnight delay before the actual delivery of the check and the delivery of the deed?

A. Well, there was a delay overnight. I remember that.

Q. You have already mentioned that she had gone to Hood River on Saturday?

A. Well, I could even have been mistaken about that. Maybe it was on the 10th. I don't remember. But, anyway, as I remember it, she was up there two days, but I wasn't there.

Q. Did you ever see any draft of the deed before the deed was actually delivered?

A. No. I never did see any draft of the deed before it was delivered, before it was delivered to me or before my wife finally gave it to me.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Had Mrs. Parker ever met Paul Winans prior to the closing?

A. Not to my knowledge.

Q. How did she know what to do after she got to Hood River when she went up the first time for the purpose of trying to close this transaction?

A. Well, she had sense enough—I told her to go see the attorney.

Q. What attorney?

A. Mr. Abraham, the District Attorney of Hood River County. [122]

Q. How did he get the information necessary as to what had to be done to close the deal?

A. Well, I don't know. I wasn't there. I can't speak for my wife or Mr. Abraham. Mr. Winans had previously told me about Vawter Parker would be his attorney up there, so I no doubt told my wife that.

Q. You are quite sure you had not made any arrangements for Stegmann to meet Mrs. Parker in Hood River on either the 9th or the 10th or the 11th or the 8th?

A. No, I absolutely didn't make any arrangements for my wife to meet Mr. Stegmann there. I had told Mr. Stegmann on the 10th, the night of the 10th, that the deal was due at that time to be completed.

Q. How did she know what was necessary to complete the deal?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, I suppose she would know just as much about it as I would.

Q. You said she had never met Paul Winans, to your knowledge?

A. No, she had never met Mr. Paul Winans, to my knowledge.

Q. You had never discussed the deal yourself with Mr. Abraham?

A. I might have a trifle, maybe. I am not sure about that.

Q. Did you ever discuss it with Vawter Parker?

A. No, I never met Mr. Vawter Parker. I wouldn't know him if I saw him.

Q. But without your having to tell Mrs. Parker what she was supposed to do, you sent her up to Hood River to close this [123] \$95,000 transaction with the advice to go in and see Mr. Abraham?

A. Well, I felt that if Mr. Abraham didn't know, I didn't know who she would go to see to close the deal. I wasn't going to give her advice, being a layman, when she could go to an attorney right there. I had no reason to be telling her how to close the deal.

Q. Had you at that time agreed on the amount of this rebate you were to receive?

A. Yes, as I remember, Mr. Winans and I had agreed.

Q. The first time Mrs. Parker went up there was

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

there any uncertainty in your mind as to in whose name you were going to take the property?

A. In her mind?

Q. In your mind.

A. Yes. Yes, there was.

Q. In whose name did you contemplate possibly taking the property in?

A. In maybe the Associated Engineers, her name, or my name, or my son's name.

Q. When did you finally decide to have it in your name, or did you make the decision?

A. Well, I believe my wife made that decision.

Q. Had there been any discussion between you as to upon what basis the decision would be [124] made.

A. Oh, yes. We had discussed its merits both ways. In fact, I discussed it with the attorneys a trifling amount, in relation to my son, in a trust setup, and various things.

Q. Which attorneys? A. Pardon?

Q. Which attorneys?

A. With Lincoln Ferris. At various times I discussed it with him, whether I should set up some timberlands for him in trust. Then I had a trade name, Associated Engineers. I didn't know exactly which way to do it.

Q. You say Mrs. Parker finally made the decision?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Yes, I think I more or less left the decision finally up to her, which way she would do it.

Q. Did Mrs. Parker ever tell you what she had Mr. Abraham do in connection with the closing of the transaction?

A. No, not anything specifically, I don't believe.

Q. Did she ever tell you anything about it?

A. Oh, yes. No doubt she told me something about it.

Q. Can you remember anything that she told you?

A. Well, as I remember it, she told me that she had Mr. Abraham close the deal with her. That is all I remember about it.

Q. Did she specifically tell you anything that she had him do?

A. Not to my recollection, except look the deed over, as I remember, and accept it. [125]

Q. Did she tell you whether or not she met Paul Winans in connection with the closing of it?

A. I understood her to say she didn't.

Q. Did she tell you that she had met Vawter Parker?

A. I believe so. I believe she said she had met him.

Q. Did she have the revenue stamps put on the deed when she went to Hood River?

A. She should have had, yes.

Q. Did you tell her how much to get?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. No, I don't think I did, because I think I purchased them.

Q. Beg pardon?

A. I think I had them. I think I bought them.

Q. How many did you buy?

A. I don't remember.

Q. Or to represent what consideration?

A. I don't remember that. It seems like I had several around home accumulated, too, and then I had to purchase others.

Q. Do you know how many were put on the deed, actually?

A. No, I don't. I remember some mention of a mistake being made as to how much was put on. I remember my wife mentioned that.

Q. Had you ever had occasion to have Mr. Abraham do any work for you before this transaction?

A. Well, I don't know whether it was for me or not, but he was in on a deal—he was the attorney for another person [126] when I had had some dealings up there.

Q. At the time the deed was delivered to Mrs. Parker on September 11th, at that time or at any time before that had anybody ever suggested to you or notified you in any way that the United States claimed some interest in the 40-acre tract?

A. Absolutely not.

Q. You say absolutely not. You include in that

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

statement, do you, any representatives of the United States Forest Service? A. I certainly do.

Q. And Paul Winans or any of Paul Winans' family? A. I include everybody.

Q. At the time you obtained this deed you had no idea whatsoever that there was any cloud on the title or defect in the title or possibility of a defect?

A. I had no idea but what the title was good. I was relying on the Title Insurance Company, and I didn't hear anyone say that the title was anything but good, so therefore I knew nothing about the title being in error, if it was in error, at the time I got the deed. [127]

* * *

Q. Do you recall having a meeting in McMinnville between Bill Dashney, yourself and myself and Mr. Alstadt? A. I remember the meeting.

Q. What is your recollection of what took place at that meeting? A. Nothing.

Q. What was discussed?

A. Well, I don't remember. It seems to me quite a few things. The main thing I was interested in was some money, or the title clear—the title clear is what I wanted. Someone suggested either at that meeting or the previous meeting how they would take care of some arrangements, or how they wanted to proceed. That is about all I remember of it.

Q. Don't you recall at that meeting, Mr. Parker,

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

that you repeated that you had paid the full sum of \$125,000 for this property, less the \$4,700; the exact figure you didn't have, but less that particular amount, whatever it developed to be, for the property?

A. I don't think I quoted any figures. The whole thing was laid on the desk; all the papers were laid on the desk for everyone's inspection there, and they all inspected them.

Q. All of what papers?

A. All of the options and everything, checks and——

Q. There weren't any checks down there, were there? A. Yes, there was. [136]

Q. Shown to myself?

A. Well, they was laid on the desk.

Q. In Mr. Dashney's office?

A. I don't know which office it was. It was in the Marshes' office.

Q. In the suite of offices there?

A. That is right. I don't know which office. They had the check and it was there, as I remember it.

Q. Which check did they have?

A. I don't remember. I don't remember which checks. All the data we had at that time was laid on the desk. I actually didn't engage in that conversation but very little. Most of the conversation was between the attorneys present.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Don't you recall that at that meeting you told Mr. Dashney, Mr. Alstadt and myself that you had had no notice whatsoever prior to your receiving this deed and paying the money that there was any possible defect in the title to the property?

A. I don't remember telling them that.

Q. You don't? A. No.

Q. Don't you recall that at that same meeting, Dashney and you and I and Mr. Alstadt, you told us that your only contact with Paul Winans in the course of this timber transaction was that on one occasion you went up on a survey trip, at which you were introduced as a surveyor from Portland who was going [137] to help run the lines?

A. I absolutely did not make that statement in your presence or any other man's presence.

Q. Didn't you at that particular meeting tell Mr. Alstadt and tell myself that you had arrived at \$125,000 on the basis of the actual timber cruise that you had made, and setting the average stumpage value of \$35,000?

A. On the fir, yes. I had arrived at that figure concerning the fir timber. I remember distinctly of telling you and Mr. Alstadt that.

Q. Didn't you at that same meeting tell Mr. Alstadt and me that in your opinion the sum of \$35,000, less whatever amount had been repaid you by Paul Winans, represented the fair and actual value of the timber on Lot 1?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I don't remember of saying that.

Q. Don't you remember telling us that you would be willing, if you had to do it over again, to go on the market and purchase Lot 1, the 25-acre tract, for \$35,000 less whatever the \$4,700 kick-back was?

A. No, I don't remember that.

Q. When you say you don't remember that, does that mean that you could have and you don't remember it, or you might not have?

A. Well, if I don't remember, I just don't remember.

Q. I want to make sure the record stands clear here on the [138] things that you positively deny, such as the statement about your only connection with Paul Winans, which you absolutely denied?

A. Well, you had quite a question concerning Paul Winans. It involved Mr. Hines and a lot of other people. So when I denied the question I was denying only portions of it.

Q. If there is any ambiguity on that point, my question was whether or not you told Mr. Alstadt and myself in the presence of your attorney, Bill Dashney, that the only contact you had had with Paul Winans during the entire transaction was on one occasion when you went up on the property with Paul Winans and Stegmann and somebody else to run the line of the reserved tract, the reserved 8 or 10 acres.

A. Your question has changed. It was Mr.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Hines on the first question, and I had never met Mr. Hines or any Mr. Hines concerning this property. And I didn't say that that was the only time that I had ever seen Mr. Winans.

Q. I am sorry. We will start in over again. Did you or did you not tell Mr. Alstadt and I in the presence of Mr. Dashney that your only contact with Paul Winans during the entire course of this transaction was one occasion when you went to the property itself while they were in the process of surveying out the reserved tract, and on that occasion you were introduced as a surveyor from Portland and that your interest in the property was not disclosed. Now did you or did you not tell [139] Mr. Alstadt and me that?

A. I sure as hell didn't. [140]

* * *

Q. Going back to the time of the assignment of the option, [156] did you give Mr. Stegmann a check for \$25,000 that night, the night he assigned the option to you?

A. I am sure it was that night. Whenever the check was dated, that is when I gave it to him.

Q. Does Mr. Jaureguy have that check?

A. I think it is there.

Mr. Jaureguy: Here it is. August 14th.

(The check dated August 14th above referred to was marked by the Notary Parker Deposition Exhibit 14.)

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. (By Mr. Buell): When did you receive that check back from Mr. Stegmann?

A. I don't remember.

Q. Could you place it as before or after the time the deed was delivered?

A. I think it was afterwards.

Q. Could you place it before or after the time suit was filed?

A. I received it from him thereabouts the time it was deposited, so you can look on the check and see when it was deposited.

Q. You deposited that to your account in the McMinnville bank? A. Yes.

Q. Just about the time or shortly after the time you got it [157] back from him? A. Yes.

Q. Within a day or so?

A. I would think so; maybe longer.

Q. Did you have any particular reason for not just retaining the check at the time it was made out and the option assigned to you?

A. Mr. Stegmann would want the check.

Q. Did you have to request him to give you the check? A. Yes, I did.

Q. Did he object to giving it to you?

A. Some.

Q. On what ground?

A. Well, that the amount of money wasn't due yet on that \$22,000 deal, and therefore he didn't want to give it back.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. At the time you purchased the option from him you knew that he had that amount of money owing you, did you not?

A. Yes, I was quite aware of it.

Q. And yet you were ready to give him \$25,000 in cash at that time?

A. Certainly; I had no alternative. Just because I purchased the option didn't change the original deal in any way.

Q. Did you have sufficient funds in your account to cover that \$25,000 check during all the time it was outstanding?

A. I think so. [158]

* * *

Q. (By Mr. Buell): The last question was what was the Phillips [159] Construction Company, and you answered that it was a company which you had started to organize. Was it a corporation or was it just an assumed name?

A. Just an assumed name.

Q. How long had you carried an account at The First National Bank of McMinnville under the name of Phillips Construction Company?

A. I don't remember.

Q. When did you first adopt that assumed name?

A. I don't remember. Probably a year previous to August, 1951, possibly.

Q. Did you ever do business under that name?

A. Yes.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Other than maintaining this checking account? A. Yes, slightly.

Q. Did you have any particular system of drawing checks on this Phillips Construction Company account as against drawing checks on your personal accounts?

A. Oh, originally it was set up to have a system, but it more or less didn't work out that way. Whenever I needed some money it seemed like I was always short one or the other place, so I always had to draw on the other one.

Q. I notice that Exhibit 15, which is the two statements of your personal account, shows a withdrawal of \$100,000 on August 9th and a deposit of \$100,000 in the Phillips Construction [160] Company account on the same date. Was there any particular reason for that transfer?

A. I don't know. I don't recollect. My wife took care of all that. I suppose so the other one would have some money.

Q. Was that withdrawal made in contemplation of this Winans timber purchase?

A. Possibly. [161]

* * *

Q. One thing I meant to inquire a little further about. When you were stating what your general business experience had been you stated that you had loaned a considerable amount of money, as I recall it. If I am not correct, why, correct me.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Over [162] what period of time have you been engaged in the business of loaning money?

A. Since I was a small lad.

Q. How many loans of \$20,000 or above have you made other than this one to Mr. Stegmann?

A. To one party?

Q. Yes. A. Possibly three or four.

Q. What was the largest loan you ever made?

A. I think over \$100,000, or thereabouts.

Q. A cash loan? A. Money.

Q. In other words, \$100,000 in cash at one time or on a loan commitment, or what kind of a transaction was that?

A. Well, a man owed me over \$100,000 or thereabouts.

Q. Had you loaned the money to him?

A. Yes. In a sense I did. I sold him logs, and he sawed the logs up and gave me notes for it, the same as cash. He owed me the money.

Q. How was that repaid? Out of the proceeds of the sale of the logs?

A. No, he paid on the notes.

Q. Was that a secured loan A. No.

Q. To whom was that made? [163]

A. Willamina Lumber Company,

Q. Willamina Lumber Company?

A. Willamina Lumber Company, Willamina, Oregon.

Q. Is that a corporation?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I don't know. It might be now. I don't know what it was then.

Q. Did you obtain any security in connection with that loan?

A. No. I answered that once. No, I didn't.

Q. What is the next largest loan that you made?

A. Oh, I think Multnomah Plywood owed me sixty-some-odd thousand dollars, sixty or seventy.

Q. What kind of a transaction was that?

A. Involved a timber sale.

Q. That was the balance of the purchase price of the timber? A. Yes.

Q. Did they give you a note for that?

A. Yes. As I remember, it was a note.

Q. Whom did you deal with for Multnomah Plywood in connection with that transaction?

A. I believe I dealt with Spears.

Q. Can you name any other instances where you have actually loaned cash in an amount of \$20,000 or above to an individual?

A. Cash? You mean currency?

Q. Currency.

A. No, I can't. I possibly could have, but I don't remember. [164] We made numerous amounts of loans. [165]

* * *

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. When did you learn that there had been a a prior loss under the title insurance policy that Mr. Winans held on this property?

A. Well, I think either my attorneys told me that, Marsh & Marsh, or else the Title and Trust told me in and about the time when two of your people came down to see us down there.

Mr. Buell: I have no further questions.

Questions by Mr. Lindsay

Q. Let's start off here, Mr. Parker. You and Mr. Stegmann are of about the same age; is that right?

A. I don't know exactly how old Mr. Stegmann is, but I would gather.

Q. You were born in 1918?

A. November 17th, 1918.

Q. In the year 1936 you were married to Lois Hutchins? A. Yes.

Q. Where did the two of you first live?

A. I believe in an apartment house.

Q. What city?

A. I believe Dallas, Oregon.

Q. In Dallas, Oregon? A. I believe so.

Q. How long did you stay there? [166]

A. Oh, I don't know. Maybe a year.

Q. I will tell you what I am going to do now so you will know, and you don't have to fence with me on any questions. I am going to try to trace from the time of your marriage to the present time

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

the addresses that you lived at and the general occupations you have followed. That is what I am going to try to do.

A. I will be glad to cooperate.

Q. If you can't give an exact date, I am just going to ask you to try to approximate it.

A. I will be glad to cooperate.

Q. You lived in Dallas, Oregon, for about how long? A. I suppose maybe a year.

Q. During that time what is your occupation? This is the first year you are married.

A. Well, I was working—I was trying to think of his name. The Ford Motor Company there at Dallas—eight hours a day. And then in the evenings generally another eight hours I was doing everything, digging post-holes, cutting cordwood, shearing sheep, or mechanics on the side, and everything.

Q. So at that time you were doing some mechanical kind of work?

A. Yes, I was employed there.

Q. All right. You moved from Dallas about a year later to where? [167]

A. I believe Tillamook, Oregon.

Q. That would have been roughly 1937?

A. I would imagine, yes.

Q. How long did you stay in Tillamook?

A. Well, three months, I believe.

Q. In Tillamook are you employed by anybody?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Yes, I was employed by the Ford Motor Company there.

Q. As a mechanic?

A. In the daytime, eight hours a day.

Q. And at night?

A. I was topping trees and doing everything.

Q. All right. From Tillamook you moved to where? A. Astoria, if I remember.

Q. How long were you in Astoria?

A. Until the longshoremen's strike. I remember that. Whenever that started, why, that stopped everything. That is when I stopped.

Q. What were you doing in Astoria?

A. I was working for Andrews Motor Company.

Q. As what? A. As a mechanic.

Q. At nighttime what were you doing, if you had employment?

A. I was working on a percentage. I was working day and night.

Q. When was your son born, when and [168] where? A. 1937 on a ranch.

Q. What is his full name?

A. Myron E. Parker.

Q. Byron? A. M-y-r-o-n.

Q. Is that the only child you and Mrs. Parker have? A. Yes.

Q. From Astoria you went where?

A. I believe I went back to the ranch, I believe, on the ranch that my father left me.

Q. A ranch in or just outside of McMinnville?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. No, nearer Sheridan.

Q. Do you recall the exact address by way of route and box number? A. Route 1.

Q. You were the only son back on the ranch at that time?

A. Well, this particular heirship was mine.

Q. This particular what?

A. Heirship. It is what I heired from my father.

Q. Your father had left a certain part of his property to each of his sons?

A. No, just two of the sons.

Q. Have we reached the year 1940 yet?

A. Oh, no.

Q. This is still in '39? [169]

A. Oh, previous to that. When we were on the ranch there was '37, or so—'38, maybe; something like that.

Q. What did you do on the ranch? I mean where did your income come from to live?

A. I sold trees.

Q. Off the ranch?

A. Yes, and other places.

Q. The ranch itself was about how many acres?

A. I think twenty-some-odd.

Q. You started in the business of buying up tracts and reselling them?

A. No, I was logging.

Q. Oh, you were doing the actual logging yourself? A. Yes.

Q. Hiring men to work for you?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Yes. Yes, I remember distinctly, because I paid them \$15 a month.

Q. And the tracts of timber you would go in and cruise yourself in the first instance, or look them over?

A. No. It was cut on a per-thousand basis. Nobody had any money to pay anything, so we just sawed it out at four-bits a thousand, and get it when you could get it.

Q. How long did you do that?

A. Well, off and on, probably, until 1940, I guess. 1939 or '40. '40 I believe. [170]

Q. By this time you haven't met Walt Stegmann?
A. No, no.

Q. Never heard of him?
A. No.

Q. All right. Now what do you do?

A. Well, the mill ceased to pay me for my logs, and I had to quit logging. And I and my wife purchased—yes, purchased a lease of an apartment house down at Corvallis, Oregon, as I remember.

Q. Did you move to Corvallis?
A. Yes.

Q. In 1940?
A. I think so.

Q. What did you do when you were in Corvallis?

A. Well, my wife ran the apartment house and I worked everywhere. I was a high-climber then.

Q. You worked at so much a day or so much a job?
A. So much a tree, yes.

Q. Were you also in the contracting business at that time in the sense of building roads or logging timber?
A. No.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Just working for yourself on a tree-topping basis? A. Yes.

Q. How long did you stay in Corvallis?

A. I don't know. Probably a year. Yes, I guess so. [171]

Q. Until 1941?

A. Well, in between. It was about the middle of '39 to the middle of '40.

Q. Then where do you go?

A. I came to Portland and I worked for the Vaughn Motor Company, I think it is called—a machine shop over on the East Side.

Q. As a mechanic?

A. Started in as a bench mechanic.

Q. What did you work yourself up to there?

A. As an inspector on the line.

Q. You stayed there until when?

A. I stayed there about a year.

Q. Has the war started yet? Are we to December 7th, 1941? A. The war had just started.

Q. Where did you go from there, in Portland with the Vaughn Motor Company at the start of the war?

A. Well, let's see. I went overseas then to Honolulu.

Q. The Army or Navy?

A. With Morrison-Knudsen Company.

Q. Construction Company? A. Yes.

Q. How long were you in Honolulu?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I think about four months.

Q. You mentioned earlier Midway. [172]

A. Yes. I volunteered for the Construction Battalion from Honolulu.

Q. The Seabees?

A. It is called the Construction Battalion. At that time it wasn't called the Seabees.

Q. You were in Midway, and so forth, until when? When did you come back to the United States?

A. In the fall of 1942, I guess it was.

Q. You were discharged in the fall of '42, then?

A. Yes, in '42. Yes, the fall of '42.

Q. Where did you return to, Mr. Parker?

A. Portland.

Q. What business did you take up on your return?

A. Let's see. I don't know. I think I took a little rest.

Q. When would you say you went back to work again?

A. Well, I think I went to work for the United States Government.

Q. As what?

A. Gee, I don't know what they called it. I worked as a construction engineer for them.

Q. What branch of the U. S. Government?

A. With the Engineers. I was under the Farm Security Administration.

Q. Were you working for the Corps of Engineers, Portland District? [173]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Out of the San Francisco office.

Q. How long did you work for them? That is, for the United States?

A. I think a little over six months, because I remember before my appointment became permanent I had to join certain parties and committees, and I didn't want to do that so I quit.

Q. All right. You are still living in and your home is at Portland; is that right? A. Yes.

Q. All this time what has happened to the farm or the ranch you had outside of Sheridan?

A. Well, as I remember, we had it rented.

Q. You had it rented at that time?

A. For a lot of the time.

Q. Are we at the year 1944 yet?

A. Oh, no, no. Oh, possibly '43, I think.

Q. After your U. S. job what do you do?

A. Of course, in the meantime—all this time I have had a little money I have been loaning out on the side.

Q. When we finish up I will take up the loan business.

A. I am sorry. Well, I had a shop at Willamina, Oregon that I previously mentioned, Associated Engineers.

Q. Which you had filed an assumed business name for? A. Yes. [174]

Q. In Yamhill County?

A. No, I think I filed in Portland.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. In Portland. When had you filed that? In '44? A. '43 or '44.

Q. And you went from Portland back to this machine shop, then? A. Yes.

Q. Living where?

A. Well, I don't remember whether I lived on the ranch because it was close—whether I lived on the ranch or at the property. We had several houses there.

Q. And the operation of that shop was your main occupation? A. Well,—

Q. Your main principal daytime occupation, aside from your other activities, loaning money—I am just talking about on an eight-hour-day basis.

A. I didn't actually work too much in the shop. I hired men there. I think I had four men or so.

Q. Were you engaged in any other business?

A. Oh, yes.

Q. At the same time that you were running this machine shop? A. I was logging, too.

Q. What do you mean, you were logging?

A. I was logging.

Q. You hired a crew to go in and log timber on a contract [175] basis, or were you purchasing the timber and logging it yourself?

A. I purchased the timber and logged it myself.

Q. How long do those two occupations go on? Until '45 or '46?

A. Oh, I would probably think—I would think '46 or '47, somewhere in there.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Now before you make your next move have you met Walter Stegmann by that time?

A. I don't believe so.

Q. What is your next move?

A. I don't remember.

Q. It might have been McMinnville or might have been what?

A. It might have been McMinnville, but I am not sure.

Q. If it had been, where did you move to?

A. On Route 3, McMinnville.

Q. Was that an apartment house?

A. No, it is a little place there.

Q. On the edge of town? A. Yes.

Q. You did move to McMinnville, but you are not quite sure of the time. Perhaps in '47?

A. Well, I am not sure whether I moved in between. I mean somewhere else. I can't remember.

Q. Do you place yourself as living in McMinnville in 1947? [176]

A. No, I think '48, maybe, I moved to McMinnville.

Q. What was your business when you moved to McMinnville?

A. Logging, I would say, principally.

Q. Buying tracts of lumber and doing the logging yourself or contracting to have it done?

A. Well, it wasn't lumber, or concerning anything to do with lumber. It concerned only logging.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

You mentioned lumber, but I had nothing to do with lumber.

Q. It only concerned logging?

A. Both contract logging and logging myself.

Q. You continued to live in McMinnville, and you were engaged principally in this logging, either for yourself or on a contract basis, until when? From '48 until about when?

A. '50, I suppose. Sometime in '50.

Q. Where would you have gone in '50?

A. I moved to Vancouver in '50, in the fall of '50, I believe.

Q. Did you move to Vancouver before or after you made this loan of \$22,000 to Stegmann?

A. It must have been after.

Q. You moved after?

A. I think so. It must have been.

Q. Since this move on the end of 1950 you have lived in Vancouver?

A. Yes. Whenever I moved up there I have used that as my residence. I lived there, yes. Of course, I have taken [177] vacations.

Q. Oh, yes. But that has been what you considered your home? A. Yes.

Q. At the same address all the time?

A. No, no. When I took a vacation then I would come back and rent another house.

Q. You have been renting all this time in Vancouver? A. Yes.

Q. You have never owned there? A. No.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Meanwhile did you sell your place in McMinnvillle?

A. I sold it, but I don't remember when exactly.

Q. Now, would you place the first time that you have memories of Walter Stegmann after you moved to McMinnvillle?

A. After Mr. Stegmann moved to McMinnvillle.

Q. After Mr. Stegmann moved to McMinnvillle?

A. Yes.

Q. So you place your first contact with him sometime after 1948, the beginning of 1948?

A. Well, the first contacts I remember is either this loading that my brother did or else the loading on the Murphy-Nelson tract. And whether he was living at McMinnvillle at that time I don't remember.

Q. Are you or any of the members of your family related to [178] Stegmann or to his wife?

A. No relation. There is no relation at all.

Q. Is your wife related to any members of Stegmann's family or his wife's family?

A. To my knowledge, no one that is related to me, myself, my family, or anyone that I know of pertaining to my relations is related to any of Stegmann's people.

Q. Your acquaintance with him, then, did not begin on a social basis? A. No.

Q. Would you have run into him prior to the time of this loading of the cold decks at the Willamina Lumber Company?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Possibly I could have run into him, but I didn't know him; that is, to know him—I might have known who he was, but not to say, "Hello, Mr. Stegmann," or anything like that. I think possibly he may have had some work accomplished in our shop. The only reason I think that is because of his name running through the books concerning some of his equipment. That is purely recollection. I am not sure about it.

Q. That particular deal in your mind seems to come ahead of the loan which you made in connection with this Gopher Valley Arthur property?

A. On the loading, you mean?

Q. Yes.

A. As I remember, yes. I am not sure. [179]

Q. The loan is not your first acquaintance with him, that this man came up to you as a stranger and you loaned him some money?

A. That is right.

Q. So that prior to this loan you did have some knowledge of him? A. Yes.

Q. Or acquaintance with him? A. Yes.

Q. Has your acquaintance or knowledge of Stegmann ever been on a social basis between the two families? A. No.

Q. Has your family and Stegmann's family ever interchanged visits on any social basis?

A. No.

Q. Any relations between you have always been on a business basis? A. Hard business basis.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Or else just the casual friendship that goes with people who are dealing on a business basis?

A. That is, to speak on the street.

Q. Yes, speak friendly-like.

A. That is right.

Q. In the month of June, 1951,—if you will recall, this option comes up in August, 1951—during just a couple of [180] months before that where were you living? A. In Vancouver, I think.

Q. Do you recall the address?

A. 33rd Street, I think.

Q. Were you listed in the phone book?

A. Oh, yes, I am sure. Might not have been listed in the phone book, but I had a phone.

Q. Did you move in June, July or August?

A. No, but then they don't get the numbers listed always.

Q. I appreciate that. Were you living at the same place in June of '51 that you were at the time this option and this assignment were entered into in August of '51? A. Yes, I think so.

Q. Where were you living in August of 1951, at the time this option and assignment were entered into? A. 33rd Street.

Q. What number?

A. I don't remember the number. I had a phone over there. My wife could tell you, but I don't remember.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Mr. Lindsay: Just excuse me. Do you remember, Mrs. Parker?

Mrs. Parker: 106 East 33rd Street.

Q. (By Mr. Lindsay): Is that correct?

A. I think so.

Mr. Lindsay: Do you recall the number in Vancouver?

Mrs. Parker: The phone number? [181]

Mr. Lindsay: Yes.

Mrs. Parker: No, I don't. It wasn't in the book for 1951, I think.

Q. (By Mr. Lindsay): Starting in June of 1950, how many cars did you own?

A. I don't remember. I think at least two.

Q. What were they?

A. A Plymouth and a Mercury, as I remember.

Q. What model Plymouth?

A. '51, I guess.

Q. Two-door or four-door? A. Suburban.

Q. It looks like a station wagon? A. Yes.

Q. What color was it?

A. I don't know. I am color-blind. I wouldn't know.

Q. But it has the appearance of what a person might describe as a station wagon? A. Yes.

Q. And your other car was a Mercury?

A. Yes.

Q. What year was that A. '50 or '51.

Q. Do you recall what color that was?

A. No, I don't recall. [182]

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. What model was it? Two-door or four-door?

A. Four-door, I think.

Q. You had those same cars in July of '51, August of '51 and September of '51?

A. I sold the Plymouth, and I don't know whether——

Q. I am particularly interested in September, 1951. When did you sell the Plymouth?

A. I don't remember.

Q. Was it before or after September 15th?

A. I don't remember. They had the title on it, and the title was transferred. The State would have it, but I don't really remember.

Q. Was it before or after the closing of the deal in this case on September 11th?

A. I don't remember at all.

Q. How could you find out?

A. From the State of Oregon.

Q. Whom did you sell the car to?

A. Some car company in McMinnville. The Plymouth agency, I believe, in McMinnville.

Q. The Plymouth agency in McMinnville?

A. I believe so.

Q. You transferred title to them?

A. That is right. I signed off the title. I don't know whether they sent it in in their name or someone else's. [183]

Q. The last you have driven that car would be the day you signed off the title?

A. Yes, that is correct.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. How would you describe your boy Myron as to height and color and hair color as of September, 1951? A. Height, oh, five foot five, I suppose.

Q. Weight? A. 135 pounds.

Q. Color hair? A. Brown.

Q. Glasses? A. No.

Q. Where is your boy now, Mr. Parker?

A. He is at my home.

Q. Do I understand he is going to school?

A. Not now he isn't.

Q. Is he going to school this fall?

A. Yes, I will send him to school.

Q. Whereabouts will that be?

A. I am not sure where I will send him.

Q. As I understand, he made how many trips up to Lost Lake with you?

A. I think he went every time I went. I don't remember how many trips we made.

Q. Did he meet any of the Winans? [184]

* * *

Q. Let's turn now to your lending activities and consider them, say starting in the year 1949, which is about when you place your first meeting with Stegmann. At that time did you have considerable money loans out?

A. I had some loaned out. I don't know how much exactly.

Q. Well, let's try to bracket it generally. About the time you made your first loan to Stegmann

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

about how much did you have out in the way of loans as to amount and as to number of people?

A. Oh, I suppose five or six people; maybe more; and probably \$100,000. That is strictly a guess.

Q. Now, the money you had out on loans, was that money which [185] you had earned yourself over the previous years since your marriage, or was it some of the money that you had inherited?

A. Well, some of it was, of course, what I had inherited.

Q. But you did manage to add to your inheritance by reason of your earnings and your business activities? A. That is right.

Q. These five or six loans you had out, amounting to about—I am not pinning you down—roughly \$100,000, what kind of loans were they?

A. All kinds: On real property, on equipment, timber, as I remember, and gyppo loggers.

Q. In each instance you were accustomed to taking a note and also some kind of security?

A. Not always. Gyppo loggers didn't have any security anyway, most of them.

Q. If you were loaning money on equipment you were accustomed to take a chattel mortgage on the equipment? A. Yes.

Q. What rate of interest would you charge?

A. Various. Most generally all I could get from them.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. What would that ordinarily be? We are talking about '49.'

A. Well, it hasn't changed any in the years. I suppose anywhere from 4 to 8 per cent.

Q. What would determine if it was 4 rather than 8?

A. Well, if they wouldn't give me 8, why, I had to take 4. [186] You know what I mean. It was bickering over that interest rate.

Q. What was the period of time you ordinarily made loans for?

A. Oh, from 30 days to 20 years. [187]

* * *

Q. Going back to the \$22,000 loan which was made upon the security of this equipment described in what has been referred [194] to here as the so-called mortgage, you knew about the equipment, but you didn't actually see it at the time of the loan? A. I don't remember looking at it.

Q. Did you know that it was up in the Tillamook Burn, for instance?

A. No, no. At the time of the loan I didn't know where it was at.

Q. Were you making the loan upon the strength of the equipment or upon some other factors?

A. Well, both the note and the equipment.

Q. The note would be just as good as the man, so that there is more than just the equipment?

A. Yes.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. It was your thought at that time that Stegmann was a good credit risk?

A. Well, from my investigation, and people have told me he was good, so I calculated that he was all right.

Q. Did you know, for instance, that Otto Heider had—I don't know whether he had a chattel mortgage or some other type of loan on that same equipment prior to the time that you loaned that money on it?

A. I don't remember of knowing it. He could have told me.

Q. Did you learn about it afterwards?

A. I don't remember.

Q. Do you recall inquiring whether or not there were any other [195] loans on that equipment?

A. No; no, I didn't inquire.

Q. Do you ordinarily loan over \$20,000, Mr. Parker, without finding out whether someone else has a piece of security you want to use?

A. Yes, I have loaned money on a chattel mortgage without knowing positively that no one hadn't borrowed any more money on it. No one has ever beat me on it.

Q. I understood from what you told Mr. Buell that there was no understanding or agreement whatsoever between you and Stegmann that any looking around for timber he might do would be for your account?

A. I don't remember telling Mr. Buell that in

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

that many words, but Mr. Stegmann never at any time looked at any timber for me or for my account.

Q. You never had him specifically go out and see if he could scout out a tract of timber which you could purchase? A. Absolutely not. [196]

* * *

Q. You say that when Stegmann saw you on Sunday, August 12th, at Oscar Parker's house in McMinnville, he didn't show you the option he had secured from Paul and Ethel Winans?

A. I think he did show me.

Q. He didn't tell you the substance of it?

A. Not that I remember.

Q. On that date you had no idea what the purchase price of [206] that property was? This is in McMinnville, Sunday, August 12th.

A. I had no idea about the purchase price. That is, concerning Mr. Winans and Stegmann?

Q. That is right.

A. No, I didn't know anything about it.

Q. He didn't produce the option at that time?

A. I think he did. [207]

* * *

Q. So that when you are up looking at the property on Monday, August 13th, with Mr. Stegmann, do you have any idea as to the fact that the property is considered as two tracts, or do you just view it as one piece of property?

A. I viewed it as one property.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Had Stegmann said anything about that it was considered to be two tracts?

A. No, he never indicated to me that it was two tracts. [209]

* * *

Q. So you still thought of it as one tract?

A. Oh, definitely.

Q. You just thought of it as 65.88 acres, then?

A. That is right.

Q. There was no thought in your mind of dividing it up into two tracts? A. Oh, no. [210]

* * *

Q. Is there any reason that you know of why Stegmann held this check for almost five weeks without cashing it?

A. Well, I know of one pretty good reason.

Q. What is that, sir?

A. It is purely hearsay. Well, the sheriff was over to the bank periodically seeing if he had any funds in there or cashed any checks. Apparently there was an attachment out of some kind—I don't understand those things, but apparently that was true, and Mr. Stegmann told me that possibly that was——

Q. Did Stegmann have an account at the bank that could be attached?

A. I wouldn't know whether he had an account there or not.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Did he tell you he had?

A. No, he didn't tell me whether he had or not.

Q. There is no other explanation that you know of why he held this check for that period of time without cashing it? [214]

A. That is the only explanation I know of, just from what he told me.

Q. Did he have any other debts at that time that you know of? A. Oh,—

Q. By "that time" I am referring to the period from August 14th to September 20th.

A. Now am I supposed to quote hearsay, malicious gossip, or am I confined to the facts on this thing?

Q. Do either one, as far as I am concerned.

A. I would rather not repeat the malicious gossip, so therefore I would say no.

Q. You have no knowledge of whether he was indebted to other persons?

A. Only through the gossip that goes on in the neighborhood. And I had heard through the gossip line that yes, he did have other indebtedness.

Q. So at this time he was indebted to you, as I understand it, \$22,000 on your November, 1950, note, another \$1500 on that same note in April of 1951, plus the amounts he had drawn on this \$10,000 account arrangement you had at The First National Bank?

A. Yes, except that \$25,000 credited toward that, of course.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. When was that credit made?

A. Well, I don't know.

Q.. You turned this check over to him, you say, the evening [215] of Monday, August 13th; is that correct? A. Yes.

Q. Nothing was said about the money he owed you at that time?

A. Well, I wouldn't say nothing was mentioned about it. Not that I remember anything specifically.

Q. But none of his notes or accounts to you were then due and owing?

A. I don't think a one of them was. Maybe some interest that should be paid, as I remember. [216]

* * *

Q. But the first time this discussion of title insurance came up between you and Paul Winans was that particular evening? A. Yes.

Q. That is when you asked him to furnish title insurance?

A. I asked him, yes, what he was going to do for the title. He told me——

Q. And it was after that, when he refused to do anything, you decided you had better do it yourself?

A. That is right. I told him I didn't want an abstract on it; I would have to go buy some title insurance, then. He told me it was with the Hood River office, the title insurance.

Q. So then after that you decided to get some title insurance and to go and do it on your own?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. I decided to get a title report first, to see that he owned it or someone owned it that was trying to work the deal. Then I decided, after talking to the attorney, that I could purchase title insurance. Up to then I didn't even know I could purchase title insurance. [221]

* * *

Q. At what point do you learn how much that property is going to cost from Winans? You told me at McMinnville you didn't know anything about the option. Up at the lake, as I recall your answers to Mr. Buell, you still didn't know. You go back to the Apple Blossom Cafe, and then you drive over to the apartment at The Dalles. When do you first find out how much that option is for? [224]

A. How much the option is for? When I read the option.

Q. When you read it that evening?

A. Well, I believe so. As I remember, I did. I think I read it that evening.

Q. That is the first time you found out how much Winans wanted for this property?

A. No, I think I knew before this time.

Q. Yes.

A. How much he is going to charge Mr. Stegmann.

Q. Correct. That figure, however, had not entered into your calculations at all in figuring out what that property was worth?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. None whatsoever. I didn't even know that it was worth \$50,000.

Q. You had arrived at the \$125,000 prior to the time you got to The Dalles apartment?

A. That I could pay that much for it.

Q. That you could pay that much for it?

A. Yes.

Q. Then you saw the figure was \$100,000 in the option? A. I think I saw it then.

Q. So you said, "Well, I will give you \$25,000, Walt"? A. As I remember.

Q. And that is strictly the basis how that was worked out?

A. I think around that idea, yes. [225]

* * *

Q. And the particular notice of election to purchase was not signed by yourself or by Stegmann, on the top line of that particular exhibit; is that right? A. No, it wasn't when I saw it.

Q. What was the reason for not signing it?

A. Well, Mr. Winans wanted Walt to sign it, Mr. Stegmann, previous to my coming there, they told me—this is hearsay—and Walt said he had nothing to do with it any more so he [229] wouldn't be interested in signing it. Then Mr. Winans wanted me to sign it, and I told him I didn't care to sign it; that when we had a reserved area set out and he furnished me the deed, why, I was ready

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

to pay him his money, and that was that. And I refused and didn't sign it, furthermore. [230]

* * *

Q. Was anything said to Mr. Abraham about putting a bill in Congress to have the title to this back 40 cleared up? A. By myself?

Q. No. At the closing on Tuesday, September 11th, in the office of Vawter Parker, at which Vawter Parker and Abraham [239] were present, and Paul Winans was present—that is the time and place—was anything said at that time by Winans to Abraham about putting a bill in Congress to help clear up the title to the back 40?

A. Well, I wasn't there, so I wouldn't be able to——

Q. I know that, but I am asking you did you ever hear anything about it? It was never reported to you by Abraham? A. No, no. [240]

* * *

Q. All right. In the arrangements you made with Stegmann to close this particular deal what was to be his part in it?

A. He was supposed to survey the lines and see that it was put on paper, on the deed.

Q. Was he given any instructions about the grantor in the deed, to whom the deed was to be made?

A. Not that I remember of. He knew that I would be purchasing it. I suppose he knew it. He

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

was there, and I told them I was going to purchase it, and I bought it from him, so I imagine he knew that.

Q. Did you tell him that the deed should be made out in your name?

A. No, I told him—I do remember telling him that I didn't know whose name exactly I was going to make the deed out to.

Q. So you did, in effect, give him instructions not to make the deed out to anybody in particular but just to leave it blank?

A. No, I didn't give him instructions to make the deed out to anybody at all. His instructions were to get that line and the reserved area on a deed, and Mr. Abraham and ourselves would take care of what was on the deed other than that. [248]

Q. Those instructions were given to him, then, after August 13th, when he made the assignment?

A. Well, it would have to be after that. [249]

* * *

Q. I believe that Stegmann told us that on Saturday, the 8th, he met at Vawter Parker's office and tried to work out the [250] wording of the reservation in the deed. Did he tell you about that meeting?

A. No, I don't think so.

Q. He never reported to you about what had occurred in that particular meeting?

A. No, no.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. You had no idea how close the deal was to being completed?

A. I might have although I don't remember.

Q. The 8th of September?

A. Well, I wouldn't know then, either. Yes, that is right; the 8th of September.

Q. You were not in close touch with it then?

A. Oh, no.

Q. Was your wife?

A. I don't think so. In fact, on August 8th I think I was at Gold Beach.

Q. September 8th?

A. I mean September 8th. I think I was a long ways away. I think I was at Gold Beach.

Q. You drove back from Gold Beach to McMinnville?

A. I don't know the dates in there, but, anyway, I was gone. I am pretty sure of that.

Q. How long had you been gone?

A. I don't remember. A day or two.

Q. You were back in time to drive your wife to Hood River on [251] Monday, the 10th?

A. Yes.

Q. Or would she have driven herself?

A. No, I think I drove her up there, as I remember. I am not sure about that. I might have taken one car and she took the other one up. I am not sure.

Q. I believe Stegmann also told us that he met on Monday, October 10th, again in Vawter Parker's

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

office to go over the deed. Did he report to you about that meeting?

A. No, not that I remember.

Q. Did you have any knowledge that he left that office with a draft of the deed and took it over to Mr. Abraham's office?

A. At that time, you mean, did I have knowledge of it?

Q. Yes.

A. No, I didn't have any knowledge of it at that time.

Q. He didn't meet you that particular evening, Monday, September the 10th? A. That night?

Q. Yes.

A. No, he didn't meet me. I don't remember him meeting me at all.

Q. So you didn't actually see Stegmann again subsequent to what period there in September?

A. Well, I don't remember, but around during the time he was fixing up the reserved area I did meet him. [252]

Q. You had no other contact with him?

A. Well, he may have called me, but I don't recollect it.

Q. Do you know when the name was typed into the deed?

A. No, I don't know when it was typed in.

Q. Do you know who did that?

A. No, I don't even know who did.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Do you know if the deed was turned over to the grantee being left in blank?

A. No, but I think my wife mentioned it to me.

Q. You say that the amount to be deducted for the increased reserved area had been decided upon by you and Paul Winans? A. Yes.

Q. Therefore, there would have been no occasion for the two attorneys to sit down that particular morning and work it out between themselves?

A. Well, I never gave Abraham any instructions to work out any deal. My wife took care of Mr. Abraham.

* * *

Q. At any one of those meetings, or at all of them, were you [253] asked any questions in connection with the representations made by Paul Winans, or any of the Winans family, with respect to the title to the back 40 acres?

A. Well, I wouldn't remember.

Q. Did you ever tell any of these persons Mr. Buell has named as being present at any of these meetings that Paul Winans told you he had a good and marketable title to this property which he was selling you? A. I remember saying that, yes.

Q. Did you also say that Paul Winans had never told you anything about the Government making a claim to the back 40 acres?

A. I don't know whether I told him or not.

Q. I am not asking you about that. I am asking you what you told them.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, I don't remember of telling them that.

Q. Could you have told them that?

A. I possibly could have.

Q. Did you tell them that Paul Winans never told you anything about a policy of title insurance he had on that property which had been paid off by reason of the Government claiming ownership of the back 40 acres?

A. I don't know that I told them that. I don't remember of telling them that. I probably did.

Q. Didn't they ask you the question, "Well, didn't Paul Winans tell you that he had some title insurance on this property [254] which had been settled because of the Government claim"?

A. Now we are changing this.

Q. No, I am still taking about the conversation between you and representatives of Title and Trust Company, the plaintiff in this case. I am trying to find just what you told them with reference to what Winans did or did not tell you.

A. Well, I don't remember all the conversation.

Q. Did the Title and Trust Company ever ask you to warrant in writing that Paul Winans told you he had a good and marketable title to back 40 acres?

A. Not that I remember.

Q. Did the Title and Trust Company ever ask you to warrant in writing that Paul Winans never told you one thing about the Government claiming ownership of the back 40 acres?

A. Not that I remember.

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

Q. Did they ask you to assure them of that orally rather than putting it in writing?

A. I don't remember them specifically asking me that.

Q. In this draft of the agreement which was prepared by Mr. Buell, which is Exhibit No. 12, one of the "whereas" clauses in here is:

"Whereas, the Parkers have represented to the company and hereby warrant that they had no knowledge of any defect in the title to said Lot 2 prior to their payment of the purchase price [255] therefor."

By putting this "whereas" clause in here, you were supposed to represent that you had no knowledge about it. Did you ever balk at signing that particular representation? A. No.

Q. You were perfectly agreeable at all times to making such a representation?

A. Well, I didn't even read the darned thing, so I can't say.

Q. You never knew that they wanted you to make that particular representation?

A. Not especially. I didn't even read the instrument, so I wouldn't know.

Q. In Exhibit 13, which is a letter to Marsh, Marsh & Dashney from Mr. Buell, a carbon copy of which you said you got, the letter starts out:

"The numerous changes of mind on the part of Mr. and Mrs. Parker relative to their claim

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

of loss under the owner's policy of title insurance,"

and then goes ahead. What were these changes of mind they are referring to?

A. I wouldn't know. I think principally the way they were going to pay me. [256]

* * *

Q. What contact have you had with Stegmann since the delivery of the deed?

A. Well, he came over to see me one day, here, not too long ago. I remember that because it was so recent. He wanted some papers that I had on this deal. That was one time, and that was recent.

Q. Another time you mentioned earlier was when the suit broke and you saw him in McMinnville and told him about it?

A. Yes, I saw him then. [258]

Q. And between that and the time of the deed would be when he paid back the loan and turned over to you this \$25,000 check?

A. Yes, I saw him then. [259]

* * *

Q. In the cross-claim filed in this action, Mr. Parker, it is alleged that you and your wife are persons of great wealth, and are the owners of land, timber, moneys, stocks, bonds, and other worldly goods in excess of a half a million dollars. Is that correct?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Well, they are being very liberal with my dollars, because I think that is more than I probably have.

Q. What is your opinion as to what your net worth is, as of this time?

A. Well, that would be subject to how much I own up in Hood River.

Q. May I ask you to give me just a statement, not taking that into account.

A. Excluding that?

Q. Yes. A. Oh, \$50,000.

Q. How much?

A. At a forced sale, maybe \$75,000. At speculative values, maybe \$200,000.

Q. Excluding that, your total net worth at this time would be fifty or sixty thousand?

A. I would think so; somewhere in there.

Q. That is made up generally how, in terms of real property, cash and other assets? [264]

A. Well, it is just a purely speculative estimate on my part as to how much I am worth.

Mr. Jaureguay: Just a minute. Off the record.

(Discussion off the record.)

Q. (By Mr. Lindsay): Going into your net worth, then, for the moment, Mr. Parker, what would you say it was in the way of current assets, such as bank accounts, stocks and bonds?

A. Well, I have no stocks and bonds. I think I

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

have some small bonds, but I don't know the amounts. As to cash in the bank, I don't know. It probably isn't very much. I have some contracts out, and they are probably not worth a darn.

Q. Do you own some real property?

A. Yes, I own some real property.

Q. Aside from this particular deed you have here?

A. Yes.

Q. Where would that property be?

A. Well, I own some in Washington.

Q. In Clark County?

A. No, Skamania County.

Q. Where?

A. Skamania County.

Q. Would your wife have a more accurate idea of just what your net worth is?

A. Well, I can't speak for her, but then I would think that I would have \$50,000. My first figure that I told you should be [265] fairly accurate.

Q. Reasonably accurate?

A. I would think so. [266]

* * *

Q. (By Mr. Buell): You mentioned you purchased the jeep in 1950. Was that from the Tilbury Motors in McMinnville?

A. Yes.

Q. Did you trade in an older model jeep on the new?

A. It wasn't a new jeep, but I traded in a jeep for another jeep.

Q. A newer one, newer than the one you had?

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

A. Maybe it was newer, but I am not sure. It was a different model. I traded in a jeep, military style, for a jeep pickup, both of them used.

Q. Did you have any trouble reaching an agreement with the motor company as to the trade-in allowance you were to be given on the old [267] jeep?

A. Well, I usually try to get all I can for anything I trade in, and I would imagine that we had lots of argumentation concerning the amount of the trade-in, a lot of bickering.

Q. Didn't they at first refuse altogether to give you the amount that you were asking for it?

A. Possibly they did. They usually did.

Q. Do you remember what you were asking for it?

A. No, I don't remember it.

Q. Do you know anything about whether or not Walter Stegmann went in to the Tilbury-Gilbert Motors and placed an order for a military-type jeep such as the one you wanted to trade in with them prior to the time that you actually made the trade-in?

A. I don't know anything about Walter Stegmann appearing at Tilbury-Gilbert's at any time in my whole life, concerning anything.

Q. Did Stegmann assist you in any manner in completing the trade-in of your old jeep and the purchase of the other style jeep?

A. No one assisted me in any manner whatso-

Exhibit No. 22—(Continued)

(Deposition of Chet L. Parker.)

ever but myself in any trades I made with Tilbury at any time.

Q. Do you remember ever giving Walter Stegmann \$50 to make a down payment on an earnest money receipt for the purchase of a used jeep?

A. I never gave Walter Stegmann any \$50 check to make any down [268] payment on any jeep of any kind. I am not denying that I might have given him a \$50 check, but I am denying that the purpose of the check was to purchase any specific item for himself or myself, either. [269]

* * *

EXHIBIT No. 23

[Exhibit 23 is the deposition of Paul Winans (256 pages). No portion of this deposition is to be printed.]

EXHIBIT No. 25

[Exhibit 25 is the deposition of Lois Parker (145 pages). No portion of this deposition is to be printed.]

EXHIBIT No. 26

Notice of Election to Purchase

Hood River, Oregon.

August 18, 1951.

Paul Winans, Agent,

Ethel Winans, et al.,

This will serve to notify you that I herewith elect to purchase the real property situated in Section 16, Township 1 South, Range 8 East, W.M., as set out and described in that certain option granted to me by yourselves on date of August 11, 1951, in consideration of payment of the total purchase price of \$100,000.00, (One Hundred Thousand Dollars) to be paid to you at the time and dates as specified under the terms of said option.

.....

Acknowledgment of Notice

Walter Stegmann,

RFD, No. 3,

McMinnville, Oregon.

Receipt of your check of even date hereof in the amount of \$4000.00, (Four Thousand Dollars), subject to collection together with notice constituting your election to purchase is hereby acknowledged.

It is further mutually understood and agreed that time period for measuring and staking out 8.88 acres to be retained by the Sellers, is hereby extended date of on or before August 26, 1951.

/s/ PAUL WINANS,

/s/ ETHEL WINANS.

Approved:

/s/ WALTER STEGMANN.

EXHIBIT No. 27

[Exhibit 27 is a carbon copy of a deed labeled "Bargain and Sale Deed." Name of grantee blank; grantor's signature missing. A copy of the executed deed is attached to the amended complaint as Exhibit B.]

EXHIBIT No. 28-A

Agreement and Timber Bill of Sale

This agreement made and dated this 10th day of May, 1951, by and between Mrs. M. H. David, hereinafter known as the Seller and Walter F. Stegmann hereinafter known as the Buyer. The Seller agrees to sell and the Buyer agrees to buy all of the timber standing, lying or being on the Seller's properties in section 10, township 3 south, of range 2 west,

of the Willamette meridian in Yamhill County, Oregon.

The above-named Buyer, his heirs, employees or assigns shall have the right to go upon, over and across said described real property for the purpose of cutting, logging hauling and removing said described logs and timber covered by this agreement. It is further agreed that the Buyer, his heirs, employees or assign shall have the right to use any existing roads or to build any other roadways necessary for the removal of said timber or adjacent timber he may own.

It is further understood that the Buyer shall log said timber in a workmanlike manner, taking every possible precaution to prevent damages to Seller's properties, and the above-named Buyer will obey all federal, local or government laws, rules or regulations as to the cutting of the said timber.

It is further agreed and understood that the Buyer shall have until May 1, 1954, to remove said timber and logs, and at the end of that time all of the timber and logs shall revert to the Seller.

Seller hereby covenants and warrants that she has a good right and full authority to convey timber, logs and other rights hereinabove described, and hereby binds herself, her heirs, administrators, employees and assigns to warrant and ever defend any and all of the timber, logs rights, and privileges provided for in this instrument.

Payment in full is hereby acknowledged upon the signing of this agreement.

Seller:

MRS. M. H. DAVID,

Buyer:

.....

(Copy)

(Copy)

EXHIBIT No. 28-B

Agreement and Timber Bill of Sale

This agreement made and dated this 14th day of May, 1951, by and between Mrs. A. Leo Johnson, hereinafter known as the Seller, and Walter F. Stegmann, hereinafter known as the Buyer. The Seller agrees to sell and the Buyer agrees to buy all of the timber standing 12 inches breast high or over, lying or being on the Seller's properties in section 10, township 3 south, of range 2 west, of the Willamette meridian in Yamhill County, Oregon, save and except a small strip of timber lying adjacent to the properties of Ralph S. Otis, said strip containing approximately 47,000 ft. of fir timber.

The above-named Buyer, his heirs, employees or assigns shall have the right, to go upon, over and across said described real properties for the purpose of cutting, logging, hauling and removing the timber and logs covered by this agreement. It is further agreed that the Buyer, his heirs, employees or assigns are hereby given the right to use any existing

roadways, or to build any other roadways necessary for the removal of said timber, other timber, and also use of deeded roadways beginning at a point from the center line of said roadways at the northwest corner of tract of land owned by C. E. Burk, and on the south line of road conveyed by Ben Heater and Wife to A. Heater by deed, recorded on page 157, volume 32 of the records of deeds for Yamhill County, Oregon, thence northeasterly along canyon underneath R.R. bridge to a point 10 ft. south of the north line of said tract of land conveyed by B. Heater and wife to A. Heater, and thence parallel with said north line of said tract to a point 967 ft. west of the east line of the said tract conveyed by B. Heater and wife to A. Heater, thence south parallel with each line of said tract conveyed by B. Heater and wife to A. Heater to the south of said tract, said roadway to be seven and one-half ft. in width on each side of center line for a distance of 200 ft., and 10 ft. in width on each side of said center line for the remainder of said roadway, also roads are to be left in as good as condition as they were found.

It is further agreed and understood that the Buyer shall log said timber in a workmanlike manner, taking every reasonable precaution to prevent damages to Seller's properties, and the Buyer shall obey all federal, state or local government laws, rules or regulations as to the cutting of and logging timber.

It is further agreed and understood that the Buyer shall have until May 1, 1953, to remove said

timber or logs, and at the end of that time all of the logs or timber standing shall revert to the Seller.

The Buyer agrees to allow no logging equipment or vehicles to go through the orchard at any time while logging the above-described timber.

It is understood and agreed that the actual road as it is now exists, and may be used, may not be entirely within the designated limits of the so-called "Deeded roadway" heretofore described in paragraph 2 hereof, and that the Seller makes no representations that said roads is within said deeded limit.

It is understood that no yew trees are included in this Bill of Sale, and that the purchaser shall use his best efforts to protect the yew trees on the ground to be logged over.

The Purchaser agrees that as soon as he starts logging operations he will execute an agreement in writing for the faithful performance of his part of this agreement, and will deposit a sum of money, not less than \$* for this purpose, said sum to be returned on completion of this contract and the faithful performance of the terms and conditions herein set out.

Seller hereby covenants and warrants that she has a good right and title to sell the timber and logs which are the subject matter of this contract, and she is the sole and exclusive owner of the land to be logged and herein described and said land is not encumbered with any mortgages or other liens, and hereby herself, her heirs, administers, or assigns to

warrant and to defend any and all of the title and logs herein sold, and that she has a right to grant the use of the "right of way" herein described.

This agreement is made upon the mutual promises and agreements to be kept and performed by each of the parties hereto and upon the further consideration of the payment to the Seller of the sum of \$2500.00 the receipt of which is hereby acknowledged of this agreement.

Seller:

MRS. A. LEO JOHNSON,

Purchaser:

WALTER F. STEGMANN.

*[Longhand in margin]: \$200.

EXHIBIT No. 29

Agreement and Timber Bill of Sale

This agreement made and dated this day of May, 1951, by and between Walt Stegmann, hereinafter known as seller, and The McCormick Lumber and Manufacturing Corp., hereinafter known as Buyer. The Seller agrees to sell and the Buyer agrees to buy all of the timber lying, standing and being, 12 inches breast high or over on the following described property:

All of the timber on the Mrs. A. Leo Johnson properties in section 10, township 3 south, range 2 W., W.M., in Yamhill County, Oregon, with the

exception of a small strip of timber lying adjacent to the properties of Ralph S. Otis, containing approximately 47,000 ft. of fir timber. Also excepting approximately six yew wood trees on the aforesaid properties.

Lot 5 of Section 10, township 3 south, range 2 W., W.M., in Yamhill County, Oregon.

All of the timber on the Mrs. M. H. David properties in Section 10, township 3 south, range 2 W., W.M., in Yamhill Co., Oregon, being a part of the original Benjamin Heater Donation Land Claim, lying north and east of the railroad track.

The above-named Buyer, their heirs or employees, shall have the right to go over, upon and across said described real property for the purpose of cutting, logging, hauling and removing the timber and logs covered by this agreement. It is further agreed that the Buyer, their heirs or employees are hereby given the right to use any existing roads, or to build any other roadways necessary for the removal of said timber.

It is further understood and agreed that the Buyer shall log said timber in a workmanlike manner, taking every reasonable precaution to prevent damage to Seller's property, and the Buyer will obey all federal, state or local government laws, rules or regulations as to the cutting or logging of timber.

It is further agreed that the Buyer shall have

until May 1, 1953, to remove said timber or logs, and at the end of that time, all of the logs or timber shall revert to the Seller.

The Buyer agrees to allow no logging equipment or vehicles to go through the orchard at any time while logging the above-described timber.

In the event that the Buyer shall log and remove said timber or logs before the above-mentioned time shall have expired, the Buyer will give the Seller a letter of release of this contract.

Seller hereby covenants and warrants that he has a good right and full authority to convey timber, logs and other rights hereinabove described, and hereby binds himself, his heirs, administrators or assigns to warrant and ever defend any and all of the timber, logs, rights and privileges and rights of way provided for in this instrument.

The Buyer warrants that they personally have inspected the above-described timber and are not relying on any representations made by the Seller as to quality, quantity or the boundary lines of said timber.

Payment in full is hereby acknowledged upon the signing of this agreement, the price paid and received having been \$5,300.00.

Edna Stegmann is the wife of the above-named seller, Walt Stegmann, and said Edna Stegmann is also a seller under this contract and hereby makes herself a party hereto and is bound by all of the terms of the provisions that affect the seller.

The sellers hereby covenant to and with the buyer

that the above-described property is free and clear of all incumbrances.

In Witness Whereof, the buyer has caused these presents to be signed by its duly authorized officer and its corporate seal to be hereto affixed and the sellers hereunto set their hands.

[Seal] McCORMICK LUMBER &
MFG. CORPORATION,

By /s/ [Illegible]
Plant Mgr.

/s/ WALTER STEGMANN.

/s/ EDNA STEGMANN.

Witness:

/s/ L. E. STANHOPE.

State of Oregon,
County of Multnomah—ss.

On this day of May, 1951, personally appeared before me, the undersigned Notary Public, Walt Stegmann and Edna Stegmann, known to me to be the individuals described in and who executed the foregoing agreement and they each acknowledged to me that they had signed the foregoing agreement and that the same is their free act and deed.

EXHIBIT No. 30

Timber Agreement

This timber agreement made and dated this day of June 22, 1951, by and between Lester W. Walker, hereinafter known as Seller, and Walter Stegmann, hereinafter known as Buyer. The Seller agrees to sell and the Buyer agrees to buy all of the timber standing, lying and being on the seller's properties of the west half of the northwest quarter of section 29, township 2 north, range 10 east, W.M., in Hood River County, Oregon.

The above-named Buyer, his heirs, employees or assigns shall have the right to go upon, over and across said described real properties for the purpose of cutting, logging, hauling and removing the timber and logs covered by this agreement. It is further agreed that the Buyer, his heirs, employees, or assigns are hereby given the right to use any existing roads, or to build any other roadways necessary for the removal of said timber.

It is further understood and agreed that the Buyer shall log said timber in a workmanlike manner, taking every reasonable precaution to prevent damage to Seller's properties, and the Buyer shall obey all federal, state or local government laws, rules or regulations as to the cutting of, and logging said timber.

It is further agreed that the Buyer shall have until June 30, 1953, to remove said timber or logs, and at the end of that time, all the timber or logs shall revert to the Seller.

Seller hereby covenant and warrant that he has a good right and full authority to convey timber, logs and other rights hereinabove described, and hereby binds himself, his heirs, administrators or assigns to warrant and ever defend any and all of the timber, logs, rights, privileges and rights provided for in this instrument.

The purchase price is dollars per thousand board feet mill scale, as delivered to the mill.

/s/ LESTER W. WALKER,

/s/ WALTER STEGMANN.

EXHIBIT No. 31

Logging Agreement Murphy-Nelson Tract

This agreement made and entered into this 1st day of September, 1949, by and between O. L. Arthur and Gladys R. Arthur husband and wife and Martin Thomson hereinafter referred to as the parties of the first part, and Walter Stegmann, hereinafter referred to as the party of the second part.

Witnesseth

The parties of the first part agree to sell to the party of the second part all the merchantable timber on the following-described property, to wit:

The northeast quarter of Section 22 and the northwest quarter of the northwest quarter of Section 23, in township 4 south, range 6 west, of

the Willamette Meridian in Yamhill County, Oregon.

The party of the second part agrees to pay to the parties of the first part \$5 per M millscale and to furnish them with an agreement with the purchasers of the logs to withhold \$5 per M for all logs delivered and removed from the above-described property and to turn the accumulated money over to the parties of the first part monthly. He further agrees to salvage all merchantable timber and to find and remove 1,000,000 feet BM or more at \$5 per M and to complete the operation on or before Nov. 1st, 1950, unless it is mutually agreeable to extend the date. He further agrees to furnish the parties of the first part with information as to the amount of timber fell and bucked semi-monthly or oftener as he receives the amounts from his fallers and buckers.

The party of the second part is to have access to the property along the old logging grade over which the original timber was removed under the following conditions.

He is to build the road to his own satisfaction and is to work out a program to get around the log dump at Thomson's Mill without interfering with logging operations there.

He is to maintain present roads over which he works suitable for the purpose for which they were built and used and to leave them in good condition.

He is to prepare the old logging grade to prevent washing out by winter flood water by constructing

proper culverts and grading the banks on lower side of road down to road level at intervals close enough to insure proper drainage.

The party of the second part agrees to post a down payment of \$1,000 as a guarantee of the faithful performance of the conditions outlined herein, which is to constitute the last payment for logs, with the exception that the parties of the first part may use the money or a sufficient part thereof to make good any deficiency on the part of the party of the second part in carrying out the above conditions. In addition to the above the parties of the first part may cancel the contract, with proper settlement for work completed, if he fails to carry on the work or to take advantage of weather and market conditions.

The parties of the first part agree that all payments outlined above are to be made to Martin Thomson to be divided between them as previously agreed.

In witness whereof—the parties have herein subscribed their names and seals the day and year first above written.

/s/ O. L. ARTHUR,

/s/ GLADYS R. ARTHUR,

/s/ MARTIN THOMSON,

Parties of the First Part.

/s/ WALTER STEGMANN,

Party of the Second Part.

[In margin]: O. L. Arthur, Route 2, Sheridan, Wn.

EXHIBIT No. 32

Feb. 23, 1950.

We, Arthur A. Sowle and Roy L. Stafford, hereafter known as parties of the first part, hereby bargain and sell all of our right, title and interest in a certain piece of road running from the County road to and through the Arthur-Thompson property, and particularly pertaining to the agreement between parties of the first part and Walter Stegmann, for the sum of \$776.89 in hand paid, to Chet L. Parker.

/s/ ARTHUR A. SOWLE,

/s/ ROY L. STAFFORD.

Witness:

/s/ EDNA M. SOWLE.

EXHIBIT No. 33

[Exhibit 33 is an abstract copy of a chattel mortgage from Walt Stegmann to Chet and Lois Parker, covering certain logs, county not shown, consideration \$6,000.00, dated 9-10-49 and recorded 12-19-49. There is also an attached pencil communication addressed to "Herb" and signed "Jack" stating it was not shown in another report for the reason it had been satisfied.]

EXHIBIT No. 33-A

[Exhibit 33-A is a photostatic certified copy of the chattel mortgage described in Exhibit 33.]

EXHIBIT No. 34

Contract

This Agreement, made this 23rd day of March, 1950, between Walter Stegmann, hereinafter referred to as Stegmann; Chet Parker, hereinafter referred to as Parker, and Rutherford Logging Company, an Oregon corporation, hereinafter referred to as Logger,

Witnesseth:

Whereas, Stegmann is the owner of a certain logging contract dated September 1, 1949, between himself and O. L. and Gladys R. Arthur and Martin Thompson, concerning certain timber in Yamhill County, Oregon, and is indebted to Chet Parker in the amounts hereinafter more specifically referred to; and

Whereas, it has been agreed between the parties that Logger will act for Stegmann as an independent contractor in completing the said contract, in receiving payment for logs, and in making the payments for the accounts of Stegmann and Parker as herein specified;

Now Therefore, in consideration of the mutual covenants herein contained it is agreed between the parties as follows:

1. Stegmann does hereby engage Logger to go upon and complete the logging and delivery of the felled and bucked timber, logs and trees upon the premises known as the Northeast Quarter of Sec-

tion 22, and the Northwest Quarter of the Northwest Quarter of Section 23, all in Township 4 South, Range 6 W., W.M., in Yamhill County, Oregon, strictly in accordance with the terms and provisions of that certain contract between Stegmann and O. L. Arthur and Gladys R. Arthur, husband and wife, and Martin Thompson, dated September 1, 1949.

2. Logger covenants to go immediately upon the lands above described and log and deliver the timber above referred to subject to the conditions herein specified. The logs shall be sold to a mill or mills of Logger's choice. Logger shall be entitled, as its compensation, to all amounts received over and above those described in Paragraphs 3, 5 and 6 hereof.

3. Upon the sale of any logs removed by Logger from the above-described premises payments will be made by Logger, or Logger will cause payments to be made as follows:

\$5 a thousand to Arthur and Thompson in accordance with the provisions of the contract above referred to.

\$10 a thousand to Chet Parker, computed as follows:

\$4 on account of falling and bucking;

\$2 on account of improvements to road;

\$4 on account of other indebtedness of Stegmann to Parker.

These payments shall continue until the payment described in Paragraph 5 is made.

4. In the event the operations of Logger shall be interfered with or restrained by the owners of the premises, or if it shall become reasonably apparent to Logger because of claims of others to the logs or timber that its continued operations may subject it to liability, then Logger may cease operations and upon giving written notice of the event to Stegmann and Parker be released of all liability hereunder except with respect to logs previously sold, for which payment shall be made as in the preceding paragraph provided. In such event if Stegmann or Parker shall remove or cause the removal of such interference, restraint or other possibility of liability described in the notice, Logger shall thereafter be bound by this contract.

5. At the time of the first payments made to Logger by the mill occurring not sooner than 30 days after Logger has commenced yarding, if the Logger has not ceased operations as provided in Paragraph 4, then the difference, if any, between the payments made to Parker and the balance shown by the attached statement shall be paid by Logger to Parker. Logger will thereupon be completely released from any indebtedness to Parker.

The difference between the amounts so paid to Parker on account of footage payments as provided above or on account of the final lump sum payment described in the preceding paragraph and the sum of \$7,000, if any, shall be paid to Parker at the

time of the payment immediately above described in this paragraph.

6. From and after the time of the final payment to Parker hereinabove described, Logger shall pay to Stegmann not sooner than 60 days from time of payment by the mill or later than 90 days thereafter the sum of \$4 a thousand for all logs sold, which shall be in addition to the \$5 a thousand to be paid to the owners of the timber by the mills to which sold in accordance with the provisions of the contract.

7. Stegmann agrees to be present at the time of logging during the full working day not less than three days a week for the purpose of satisfying the owners of said timber that he is logging in accordance with his contract. On request of Logger, Stegmann will instruct the mills to which the logs are sold to make payments in accordance with his contract with the owners of the timber and will take such other reasonable actions as will be necessary to complete this agreement in accordance with the understanding and desires of the parties. In the event Stegmann shall fail to spend such minimum time upon the premises being logged he shall not be entitled to the \$4 a thousand above provided.

8. Stegmann covenants and agrees with Logger that he has title to the contract above described and the right to go upon the premises and fell and sell the timber thereon free and clear of all liens or encumbrances except a mortgage to Parker. Stegmann and Parker covenant and agree that in the

event Logger shall be restrained, interfered with, or otherwise cease operations as provided in Paragraph 4, they will reimburse Logger for expenses by it incurred up to the time of such stoppage but not in excess of \$4 a thousand net scale for not more than 250,000 feet plus \$300 on account of road work. Logger will not be entitled to reimbursement for moving his equipment. Stegmann covenants and agrees that in event a lien, claim or other encumbrance is asserted or imposed upon or against the logs hereinabove described he will immediately arrange for the release of such lien, claim or encumbrance and will indemnify and hold harmless Logger from and against any loss or damage arising from such event.

9. All moneys herein provided to be paid shall be paid to Chet Parker at McMinnville, Oregon, and to Walter Stegmann at McMinnville, Oregon, and any notice of the exercise of Logger's rights hereunder shall be addressed to said parties at said address.

10. Notwithstanding the covenant of Stegmann to spend certain time upon the premises being logged it is understood that he shall in no wise have any right of supervision or direction of the manner in which the logging operations are conducted. Logger shall at all times continue to be an independent contractor and its employees shall not be considered the employees of Stegmann or Parker.

11. Logger agrees to keep said premises free from all claims or liens of any nature arising from

any matter connected with its operations and will make all payments required by the Federal Social Security Act or the State Unemployment Compensation Act or any other laws applicable with respect to its employees. Logger agrees to use due diligence to prevent loss by trespass, fire, wind or other casualty to the above-described premises and timber, and to log said timber according to good logging practice, dispose of the slash and debris, and otherwise carry on its logging operations in compliance with the laws of the United States of America and the State of Oregon and the regulations of the agencies of the nation and the state relative thereto.

In Witness Whereof the parties hereto have hereunto set their respective hands and seals the day and year first above written.

/s/ WALT STEGMANN,

/s/ CHET L. PARKER,

RUTHERFORD LOGGING
COMPANY,

By /s/ O. E. RUTHERFORD,
President.

Statement of Amount Due on Mortgage
From Stegmann to Parker

March 23, 1950.

On original mortgage	\$2,962.62
Falling and bucking	1,116.93
Otto, Harry, Doc Lux and Mr. Paul, Art Sowle and Roy Stafford	776.89
Mr. Thompson, Cat work on road	250.00
O. L. Arthur, stumpage on timber	135.70
W. L. Brown, Cat work	335.00
Withholding tax	73.80
	<hr/>
	\$5,650.94

In the event that there are any additional claims against this said Murphey-Nelson timber, we reserve the right to pay any or all such claims as may become due before this mortgage is paid in full.

/s/ CHET L. PARKER.

This Mortgage, made the 20th day of November, 1950, by Walt Stegmann, Rte. 3, McMinville, Ore., hereinafter called Mortgagor, to Chet and Lois Parker, hereinafter called Mortgagees.

Witnesseth. That the Mortgagor hereby mortgages to the Mortgagees all that certain personal property situated and described as follows:

1 converted 11x13 Williamette yarder with a 200 H.P. Cummins diesel motor, together with all lines, rigging, tree plates and any other equipment attached thereto and used in yarding logs.

1 Austin Western road grader.

As security for the payment to Chet L. Parker and/or Lois Parker, the said Mortgagees, the sum of Twenty-two thousand dollars, \$22,000.00 with interest at the rate of 4% per annum according to the terms and conditions of that certain promissory note as follows:

It is also agreed that if the mortgagor shall fail to make any payment, as in the said promissory note provided, then the mortgagees may take possession of said property, using all necessary force to do so, and may proceed to sell the same in the manner provided by law, and from the proceeds pay the whole amount in said note specified, together with such reasonable attorney fees as may be allowed by the court and all costs and expenses.

In testimony whereof, I, the mortgagor herein

named, have hereunto set my hand and seal the day and date first above written.

/s/ WALT STEGMANN.

Vancouver, Wn.
Apr. 20, 1951.

I hereby acknowledge that I have of the above date received an additional \$1500.00 loan from Lois Parker, the same to be repaid in not more than 30 days from the above date, with interest at 4%. This sum to be secured also by the above-described equipment.

/s/ WALT STEGMANN.

EXHIBIT No. 35-A

[Exhibit 35-A is the original of the documents included in Exhibit 35.]

Vancouver, Wash.

May 1, 1951

This agreement made by and between Walt Stegmann, mortgagor, and Chet and Lois Parker, mortgagees, for the sum not to exceed \$10,000.00 (ten thousand dollars) to be secured by the following equipment:

2 Carco towing winches
1 dozer blade

It is understood at this time that the mortgagor is not certain as to the exact amount of money he will need, and not wanting to pay interest on unused money, it is agreed that if and when the mortgagor determines the amounts he wishes to borrow, he will notify the mortgagees so the checks will be cleared through the First National Bank of McMinnville, Ore., not to exceed the full sum of Ten Thousand Dollars.

Interest will be at the rate of 6% per annum from the time the check is honored until the money for each check is repaid.

It is further understood and agreed that this equipment has no liens nor encumbrances of any kind and neither will the Mortgagor allow any while this mortgage is in effect.

Both interest and principal shall be due and payable not later than Oct. 1, 1951, and if not so paid, all right, title and interest in the above-described equipment shall become the property of the Mortgagees and the Mortgagor shall give peaceable pos-

session thereof. If it shall be necessary to take legal action to collect any of the said monies, the mortgagor agrees to pay all such costs or charges as shall be incurred.

Signed at Vancouver, Wn., this first day of May, 1951.

/s/ WALT STEGMANN.

3 Checks \$2,850.—In by May 1st

Int. 150.—

\$3,000.—

Credit \$2,300 balance of check to 22,000.—

140.00 Int to 22,000.—

2 checks \$5,000.00

Int. 26.25

EXHIBIT No. 36-A

[Exhibit 36-A is the original of the documents included in Exhibit 36.]

Title and Trust Company, etc.

2111

The First National Bank.

McMinnville, Ore.

May 21, 1951.

Frank Wortman.

Chet;

Enclosed find all three checks drawn by Walter Stegmann.

/s/ A. A. GUNNESS.

I have cancelled these checks.

EXHIBIT No. 40

[Exhibit 40 is a photostatic copy of Exhibit 40-A.]



EXHIBIT No. 44

[Exhibit 44 is the 1951 U. S. Individual Income Tax Return, Form 1040, of Walter F. and Edna Stegmann, Vancouver, Washington. It designates the taxpayer's occupation as "Timber Industry," lists two children as dependents, indicates total income for that year to have been \$3,591.00, and the total tax to have been \$172.62. The third sheet, attached, is as follows:]

Walter F. & Edna Stegmann
1104 East "V" Street
Vancouver, Washington
Income Tax Return for 1951
Schedule C

Sale of Timber		\$31,650.00
Less:		
Cost of Timber Sold	\$12,750.00	
Road Building & Fire Trails for Removal of Timber Sold	11,325.00	
Transportation	3,360.00	
Traveling, Hotels, Meals	624.00	28,059.00
		<hr/>
Net Profit		\$ 3,591.00
		<hr/> <hr/>

Itemized Deductions

Contributions:		
Miscellaneous		\$ 60.00
Interest:		
On Home	\$ 90.00	
On Car	129.33	219.33
		<hr/>
Taxes:		
On Home	\$ 50.00	
Personal Car	10.00	
Gas Tax-Personal Car	50.00	
State Sales Tax	52.00	162.00
		<hr/>

Medical Expenses:

Dr. C. A. Bump, Newburg, Ore.	\$	105.00
Williamette Hospital, Newburg, Ore. ..		275.00
Misc. Prescriptions, Drugs		104.00

Total Medical Expense	\$	484.00
Less 5% Net Income		179.55

304.45

Total Itemized Deductions	\$	745.78
--------------------------------	----	--------

EXHIBIT No. 45

[Exhibit 45 is a photostatic copy of the 1950 U. S. Individual Income Tax Return, Form 1040, of Walter and Edna Stegmann, McMinnville, Oregon. It lists the total income as \$969.58, and indicates that there is no tax due. There is attached to this Exhibit a typewritten statement, as follows:]

Walter Stegmann

Contract Logging—1950

Gross Receipts	\$	9,170.50
----------------------	----	----------

Expenses:

Salaries & Wages	\$	2,304.30	
State Unemployment Tax		750.00	
State Ind. Acc. Ins.		1,250.00	
Gas, Oil & Grease		1,107.86	
Tires & Tubes		232.00	
Repairs & Maintenance		1,245.98	
Insurance		972.50	
Interest		160.56	
Property Taxes		49.80	
Telephone		127.92	8,200.92

Net Profit	\$	969.58
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Logging Costs (1949)

Parts and supplies	\$ 5,943.88
Rock	352.00
Road building	4,677.77
Money paid to contractors	18,612.39
Gas	5,003.71
Social Security Taxes and withholding	6,238.85
State Accident	1,142.47
Unemployment insurance	970.35
Insurance on trucks	1,022.33
Equipment rental	4,552.82
Labor	25,261.18
Licenses	65.00
Fine for overload	218.22
P.U.C.'s	90.53
Timber bought for sale	5,415.27
Interest and insurance on equipment	2,625.00
Depreciation on equipment (schedule below)	9,638.40
	<hr/>
	\$91,830.17

Kind of Property	Date Acq.	Cost	Remaining Life	Depre- ciation
1943 HD 14	March, 1949	\$ 8,500.00	3 years	\$ 1,416.00
1944 HD 14	Apr., 1949	7,600.00	3 years	1,183.00
1948 International Truck	1947	2,000.00	1 year	500.00
1948 BU 85 yarder	1948	12,072.00	4 years	2,414.40
1946 White Truck	Jan., 1949	6,000.00	3 years	1,500.00
1943 G.M.C. Truck	Oct., 1948	5,500.00	3 years	1,375.00
1941 Reo	1948	5,000.00	3 years	1,250.00
				<hr/>
				\$ 9,638.40

EXHIBIT No. 48

Exhibit 48 is a photostatic copy of chattel mortgages and real estate mortgages, recorded in Yamhill County, Oregon, together with a letter from the County Clerk of Yamhill County, Oregon, stating that the records to not disclose mortgages are as follows:

Mortgagor	Mortgagee	Date	Amount	Chattel or Real
1. Walter and Edna Stegmann	The First National Bank of McMinnville	7-20-50	\$ 2,000.00	R
2. Walter F. & Edna Stegmann	Chet and Lois Parker	8-29-50	3,500.00	R
3. Walter Stegmann	H. G. Burkhamer	8-18-45		C
4. Walter Stegmann	The First National Bank of Sheridan	12-21-45	6,000.00	C
5. Walter Stegmann	Geo. F. Lund	3-13-47		C
6. Walter Stegmann	Ross Logging Co.	6-22-44	1,458.00	C
7. Walter Stegmann	Otto W. Heider	11-20-47	4,400.00	C
8. Walter Stegmann	The First National Bank of Sheridan	1-19-48	8,500.00	C
9. Walter Stegmann	The First National Bank of Sheridan	7-29-48	7,000.00	C
10. Walter Stegmann	L. A. Courtemanche, a corporation	1-25-49	838.03	C
11. Walter Stegmann	Wm. O. Payne	3-28-49	16,400.00	C
12. Walter Stegmann	Wm. O. Payne	8-17-49	3,400.00	C
13. Walter Stegmann	Otto W. Heider	9-23-49	3,720.00	C
14. Walter Stegmann	L. S. Courtemanche, an Oregon corporation	10-21-49	385.43	C
15. Walter Stegmann	Burton W. Bailey	2-10-50	658.25	C

The 5th, 6th, 7th, 10th, 11th, 12th, 13th and 14th of the above mortgages state that they are purchase money mortgages. Said exhibit also includes two satisfactions of chattel mortgages, each executed by The United States National Bank of Portland, in favor of Walter Stegmann, satisfying chattel mortgages dated, respectively, 4-15-49 and 5-9-49, each recorded in Yamhill County, Oregon.

Schedule of Gains and Losses from Sales or Exchanges of
Property for Calendar Year 1951Name and Address: Chester & Lois Parker, 503 W. 24th St.,
Vancouver, Wash.

(1) Capital Assets

3. Enter here the sum of short-term gains or losses
or difference between short-term gains and
losses shown above\$ 67,195.03
6. Enter here the sum of long-term gains or losses
or difference between long-term gains and
losses shown above 85,750.08
7. Enter 50 per cent of line 6. This is the amount of
long-term gain or loss to be taken into account
in summary below 42,875.04
8. Summary of Capital Gains (use only if gains
exceed losses in lines 3 and 7):
- (a) Net gain for 1951 (either the sum of
gains or difference between gains and
losses in lines 3 and 7) 110,070.07
- (b) Capital loss carry-over, 1946-1950, in-
clusive none
- (c) If line (a) exceeds line (b), enter the
excess here and on line 1, Schedule D,
page 2, Form 1040 110,070.07

Chester and Lois Parker
503 W. 24th Street
Vancouver, Washington

1951

Income:

Interest Income:

Alcorn Loan	\$ 358.04
Walt Stegmann	150.00
Crest Lumber Co.	153.00
Delmar Stutzman	140.00
Agnes Powell	270.54
Richard & Janet Stewart	80.96

Total Interest Income \$ 1,152.54

Rental Income:

McMinnville—Yamhill County

Property	\$ 375.00
Kelso, Washington, Property	100.00
Rent of Log Loader	384.00

Total Rental Income 859.00

Total Income \$ 2,011.54

Expenses:

Insurance	\$ 3,256.49
Gas & Oil	770.35
Telephone & Telegraph	434.71
Advertising	128.92
Labor	3,749.05
Repairs & Maintenance of Equip- ment	10,201.92
Legal & Professional Fees	425.00
Commissions on Timber Sales, Cruis- ing, & Contr. Labor	11,205.98
Travel Expense	1,511.64
Property Taxes	750.18
Safety Deposit Box Rental	24.40
Interest Expense	585.83
Oregon Timber Severance Tax	124.54
Payroll Taxes	579.59

Taxes & Licenses	199.75
Depreciation (Per Schedule)	8,223.74

Total Expense	<u>42,172.09</u>
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Loss on Operations	<u>\$(40,160.55)</u>
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Casualty Losses:

Loss of Currency by theft at Olds & King in Portland, Oregon, on 11-14-51	\$ 180.00
---	-----------

Less: Recovery by Insurance Pro- ceeds	100.00	(80.00)
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Loss by fire on 2-25-51 of Personal effects in dwelling destroyed by fire—Cost of effects	\$19,960.65
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Less: Recovery by Insurance Pro- ceeds	15,800.00	(4,160.65)
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Total Loss	<u>\$ 44,401.20</u>
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Chester and Lois Parker
Loss on Worthlessness of Property
1951

Purchase of 65 acres of Timber Land in Hood River County, Oregon, in 1951	\$120,000.00
Less: Return for 11 acres erroneously included in deal	4,750.00
<hr/>	
Net Cost of 54 Acres Timber Land	\$115,250.00

Loss of Title to 40 Acre Tract on which taxpayers held Purchasers Title Policy. Taxpayers purchased from a private individual and secured Purchasers Title Insurance from the Title and Trust Company of Portland, Oregon. The sellers furnished the taxpayers with a bargain and sale deed. When the taxpayers negotiated a sale of the property with a lumber firm and applied for a Sellers Title Policy from the Title and Trust Company, they were informed that the title to the 40 acre tract was uninsurable because of the fact that the U. S. Government owned the tract. For the purpose of Title Insurance the taxpayers estimated valuation of the two tracts as follows:

- 40 A. tract—72% of Total cost
- 14 A. tract—28% of Total cost

Taxpayers have no hope of acquiring title to the 40 acre tract owned by the Government. However, their loss in this tract is not finally determinable at this time because there is a possibility that the Title and Trust Company may have to refund the purchase price to the taxpayers as a result of their purchasers Title Policy. This is in accordance with Bureau Ruling under date of 2-14-52 bearing Symbols IT:RP:TR:HBF + 3.

*[Pages 2130 and 2131—See pages 2133A and 2133B.]

Chester and Lois Parker Schedule of Depreciation—1951

2133A

	Date Acquired	Estimated Life	Cost	Prior Depreciation	Current Depreciation	Total Depreciation	Value 12-31-51	
1951 Mercury	12-20-50	4 yrs.	\$ 2,582.73		\$ 645.68	\$ 645.68	\$ 1,937.05	
1950 Ford Pickup	4-24-50	4	1,281.08	213.52	320.27	533.79	747.29	
1949 Jeep Pickup	12- 1-50	4	1,392.71	29.01	319.17	348.18	1,044.53	1
International Tractor, (Used)	12- 1-50	3	1,500.00		13.33	83.33	1,416.67	2
1949 Ford Coupe	10- 8-49	4	1,757.30	549.16	109.83	658.99	1,098.31	3*
1951 Plymouth Suburban	3-17-51	4	2,144.92		402.17	402.17	1,742.75	4
Kelso Property:								
Land	2-26-49		500.00				500.00	5
Building	2-26-49	15	3,500.00	427.78	38.89	466.67	3,033.33	6
2 Refrigerators	6-20-49	7	200.00	42.82	28.57	71.39	128.61	7
Peterbilt Log Truck	5- 7-51	4	6,500.00		1,354.17	1,354.17	5,145.83	
Trombley Trailer	5- 7-51	5	2,000.00		333.33	333.33	1,666.67	
Yamhill County Farm Land:								
Land	7- 8-49		1,000.00				1,000.00	
Chicken House	7- 8-49	15	2,500.00	250.01	166.67	416.68	2,083.32	
Machine Shed	7- 8-49	12	700.00	87.53	29.20	116.73	583.27	
Dwelling	7- 8-49	15	1,500.00		100.00	100.00	1,400.00	
Rental Apartment	7- 8-49	10	500.00	75.00	50.00	125.00	375.00	
Furnishings	7- 8-49	5	300.00	90.00	60.00	150.00	150.00	
Black Topping Driveway	6- 8-50	5	380.00	44.31	76.00	120.31	259.69	
Desk & Chair	2-18-50	10	318.50	28.39	81.85	60.24	258.26	
D-8 Cat	5-26-50	5	13,000.00	1,516.62	2,600.00	4,116.62	8,883.38	
Portable Loader	3- 9-50	5	1,715.75	225.95	343.15	569.10	1,146.65	
Gas & Oil Pump	8-16-50	5	185.98	18.59	37.19	55.78	130.20	
Sawmill	2-23-51	5	500.00		75.00	75.00	425.00	8
1942 GMC 6x6 Truck	2-23-51	3	800.00		222.23	223.23	577.77	
D-6 Caterpillar	2-23-51	4	3,650.00		760.42	760.42	2,889.58	
Crane	2-23-51	2	50.00		21.00	21.00	29.00	
Grain Drill	10-11-51	10	625.00		15.62	15.62	609.38	
Hood River Log Dump Site	4-25-51	8	1,500.00				1,500.00	9
			<u>\$52,583.97</u>	<u>\$ 3,598.69</u>	<u>\$ 8,223.74</u>	<u>\$11,822.43</u>	<u>\$40,761.54</u>	

- | | | | |
|-----------|-----------|---------|----------|
| 1. Sold | 11-17-51. | 5. Sold | 2-26-51. |
| 2. Sold | 2-24-51. | 6. Sold | 2-26-51. |
| 3. Traded | 3-17-51. | 7. Sold | 2-26-51. |
| 4. Sold | 12-15-51. | 8. Sold | 2-26-51. |

	Date Acquired	Date Sold	Cost of Property	Depletion or Depreciation Allowed or Allowable	Adjusted Cost	Sale Price	Gain or (Loss) Long Term	Short Term
International Tractor	12- 1-50	2-24-51	\$ 1,500.00	\$ 83.33	\$ 1,416.67	\$ 2,000.00	\$	\$ 583.33
1949 Jeep Pickup	12- 1-50	11-17-51	1,392.71	348.18	1,044.53	800.00	(244.53)	
Cottrell Timber Land:								
11—40-Acre Tracts	2-23-51	4- 9-51	49,500.00		49,500.00	77,500.00		28,000.00
1—40-Acre Tract	2-23-51	3-15-51	4,500.00		4,500.00	40,349.45		35,849.45
Bear Creek Timber Land:								
360 A. in Sec. 18 & 20	12-19-46	9-27-51	30,565.00	9,841.93	20,723.07	68,273.73	47,550.66	
Rist Timber Tract	4-19-51	4-25-51	3,000.00		3,000.00	6,000.00		3,000.00
Rex Hill Timber Tract	4-14-51	4-24-51	900.00		900.00	2,250.00		1,350.00
Kelley Timber Tract (Dolph)	7-19-50	8-31-51	800.00		800.00	4,000.00	3,200.00	
Plymouth Suburban	3-17-51	12-15-51	2,144.92	402.17	1,742.75	1,750.00	7.25	
Clackamas River House:								
Property (Dwelling)	2-15-51	9- 5-51	40,684.50		40,684.50	48,676.90	7,992.40	
*Kelso, Wash., Property	2-26-49	5- 7-51	4,200.00	538.06	3,661.94	8,500.00	4,838.06	
Sawmill	2-23-51	11-19-51	500.00	75.00	425.00	3,500.00	3,075.00	
Hood River Log Dump Site	4-25-51	11-24-51	1,500.00		1,500.00	1,500.00		
Yamhill County Property	7- 8-49	11- 2-51	6,880.00	1,028.72				
Commission on Sale				(600.00)	6,451.28	12,000.00	5,548.72	
D-8 Caterpillar	5-26-50	12-15-51	13,000.00	4,116.62	8,883.38	14,000.00	5,116.62	
Principal Payments on 1950 Sale bearing a 91.22% Profit (Payment \$95.00)			834.10		834.10	9,500.00	8,665.90	
			<u>\$161,901.23</u>	<u>\$15,834.01</u>	<u>\$146,067.22</u>	<u>\$300,600.08</u>	<u>\$85,750.08</u>	<u>\$68,782.78</u>
Interest in Parker Estate 12-1-51								
By request								
By purchase			\$ 4,587.75					
			<u>3,000.00</u>	<u>\$</u>	<u>\$ 7,587.75</u>	<u>\$ 6,000.00</u>		<u>\$(1,587.75)</u>
								<u>\$67,195.03</u>

*Traded for a Peterbilt Truck and Trombley Trailer having a fair market value of \$8,500.00.—As this is not a trade of Like for Like, Gain or Loss on the exchange is recognized.

Portion of Loss not determinable in 1951—72% \$ 82,980.00

\$ 32,270.00

Remaining Cost—Loss occurred in 1951 as this property has lost its value with the exception of \$10.00 per acre because of its inaccessibility. 14 A. tract cannot be reached without the ownership of the 40 A. tract. Accessibility to the 14 A. tract was permanently lost with the loss of title to the 40 A. tract. The property has a nuisance value of \$10.00 per acre 140.00

1951 Allowable loss \$ 32,130.00

Attorney Fees Paid in 1951 1,000.00

Total Loss **\$ 33,130.00**

EXHIBIT No. 50

[Exhibit 50 is the 1950 U. S. Individual Income Tax Return, Form 1040, of Chester and Lois Parker, Clackamas, Oregon. It states the total income to have been \$14,653.67, the total tax \$2,085.90. Schedule C (without detail) states that there was a net loss from business or profession of \$20,474.26, and a net gain from sale or exchange of capital assets in the amount of \$35,127.93. The following four sheets are attached]:

Chester & Lois Parker
Clackamas, Oregon

Personal Income Tax Returns for the 1950 Year
Statement of Income and Expense

Income:

Logs Sold	\$24,229.68
Cost of Sales	12,627.56
	<hr/>
	\$11,602.12

Operating Expense:

Independent Contractors	\$ 5,776.59
Cruising timber	2,180.19
Labor—net	1,294.46
Parts and supplies	7,945.85
Advertising	83.90
Legal and accounting	1,077.75
Gas & Oil	1,943.55
Insurance	1,654.27
Taxes, licenses and withheld taxes paid	1,291.56
Bad debt	49.00
Telephone	336.16
Equipment rental	3,000.00
Travel expense	98.05
Miscellaneous	442.40
Depreciation	5,092.76

32,266.49

(20,664.37)

Other Income and (Expense):

Sale of equipment, not capital assets	2,450.00
Insurance recoveries	300.03
Equipment rent	80.00
Interest received	453.28
Property rentals	589.96
Rental property expense	(28.77)
Damages assessed—clearing contract	(1,992.55)
Cost of equipment sold, not capital asset	(1,500.00)
Interest expense	(161.84)

190.11

Net Loss \$(20,474.26)

Chester & Lois Parker

Clackamas, Oregon

Computation of Cost of Logs Sold Out of
Section 7 in 1950

Cost, 1/13/48	\$ 4,185.25
Used in prior years	4,185.25
Remaining cost	-----
Board feet logged in 1950	112,000
Fair market value @ \$6.00 per M for Hemlock, 5M feet	\$ 30.00
Balance fir, at \$19.50 per M, which was the price paid by the Willamina Lumber Co. for a com- parable tract on Nov. 9, 1949; 107,000 ft.	2,086.50
*Total fair market value chargeable to Operations ..	\$ 2,116.50
Cost	-----
Capital Gain	\$ 2,116.50

*Election under I.R.C., Section 117 (k) (1).

Schedule of Depreciation—1950 Year

	Date Acquired	Estimated Life	Cost	Depreciation Reserve 1/1/50	1950 Depreciation	Disposed Of
Yarder	2- 1-46	5 yrs.	\$ 3,500.00	\$ 3,500.00	\$	10- 3-50
Berger Loader	1-20-47	5	4,460.00	2,676.00	669.00	10- 3-50
1948 Ford Pickup	4-10-48	4	1,463.12	640.12	121.92	4-24-50
1949 Mercury	1-31-49	4	2,784.00	696.00	232.00	4- 1-50
1950 Mercury	4- 1-50	4	2,303.66		431.93	12-20-50
1951 Mercury	12-20-50	4	2,582.73			
1950 Ford Pickup	4-24-50	4	1,281.08		213.52	
1949 Jeep Pickup	12- 1-50	4	1,392.71		29.01	
1948 Jeep	3-12-48	4	1,500.00	500.00	343.75	12- 1-50
Attachments	12-30-48	4	550.00	137.50	126.04	12- 1-50
1949 Ford	10- 8-49	4	1,757.30	109.83	439.33	
Kelso Property—Land	2-26-49		500.00			
Building	2-26-49	15	3,500.00	194.45	233.33	
2 Refrigerators	6-20-49	7	200.00	14.25	28.57	
Farm—Land	7- 8-49		1,000.00			
Chicken House	7- 8-49	15	2,500.00	83.34	166.67	
Machine Shed	7- 8-49	12	700.00	29.20	58.33	
Dwelling (Personal)	7- 8-49		1,500.00			
Rental Apartment	7- 8-49	10	500.00	25.00	50.00	
Furnishings	7- 8-49	5	300.00	30.00	60.00	
Black-topping Driveway	6- 8-50	5	380.00		44.31	
Desk & Chair	3-18-50	10	318.50		23.89	
D-8 Cat	5-26-50	5	13,000.00		1,516.62	
Portable Loader	3- 9-50	5	1,715.75		285.95	
Gas & Oil pump	8-16-50	5	185.98		18.59	
			<u>\$49,874.83</u>	<u>\$ 8,635.69</u>	<u>\$ 5,092.76</u>	

Chester and Lois Parker—Clackamas, Oregon
Individual Income Tax Return for the 1950 Year
Schedule of Capital Gains

Description	Date Acquired	Cost	Depreciation Allowed or Allowable	Selling Price	Gain
Yarder & Berger Loader	1946-1947	(see below)			\$ 2,919.04
Hellori Insurance recovery	1948	\$21,800.00		\$23,000.00	1,200.00
Square Top timber	1946	9,841.93		47,500.00	37,658.07
Section 7 and Willamina timber	1946			19,762.25	19,762.25
Section 7 logs—schedule attached					2,116.50
Total long term capital gains					\$63,655.86
Dancer house—purchased June, sold July 1, 1950		3,200.00		4,000.00	800.00
Leroy Moore timber—purchased and sold in December, 1950		5,000.00		7,500.00	2,500.00
Total capital gains, long and short term					\$66,955.86
Federal return—one-half of				63,655.86	31,827.93
short term capital gains					3,300.00
Capital gains—Schedule D, Federal return					35,127.93
Detail of Yarder and Berger Loader Sale:					
Sale price, October 3, 1950				12,700.00	
Cost—Yarder			\$3,500.00		
Berger Loader			4,460.00		
			7,960.00		
Less depreciation allowed or allowable:					
Yarder		3,500.00			
Berger Loader		3,345.00			
			6,845.00		
				1,115.00	
Gain on Sale				\$11,585.00	
Percentage of gain to total sales price					91.22%
1950 down payment, \$3,200.00 x 91.22%				\$ 2,919.04	

EXHIBIT No. 51

[Exhibit 51 is the 1949 U. S. Individual Income Tax Return, Form 1040, of Chester and Lois Parker. It shows total income to have been \$3,134.01, the total tax \$168.00. Attached are three typewritten sheets, reading as follows:]

Gas and Diesel Oil	1,177.10	
Advertising	117.08	
Labor	6,014.95	
Road Maintenance and Expense	12,018.56	
Travel Expense in Conduct of Business:		
Trip to Phillipine Islands	\$ 1,774.27	
Trip to Honolulu	400.67	
Meals away from Home—Chet Parker	725.60	
Mrs. Parker	185.80	
Repair Parts for Helleri	100.00	
Depreciation	3,103.42	
Property Taxes	122.50	
Total Expenses	57,162.59	
Net Operating Margin (Loss)	<u>\$ (20,472.80)</u>	
Other Income:		
Insurance Proceeds—Talbot and Carroll	\$ 937.50	
Interest Income	1,388.63	
Rental Income	353.19	
Rental Lowboy	865.45	
Net Gain on Operations (Loss)	<u><u>\$ (16,928.03)</u></u>	

Chester and Lois Parker
Route 1—McMinnville, Oregon

1949

Sale of Hellori 2-29-49 :

Received contract of sale for	\$ 21,000.00
Kelso Apartment House	\$ 4,000.00
Less: Mortgage Assumed	800.00
Total Value of Prop. acquired in exchange for Hellori	<u>\$21,800.00</u>

Cost of Hellori—Per depreciation schedule	\$16,433.33
Binoculars	107.73
Fathometer	1,010.01

Gain on Sale	<u>\$ 4,248.93</u>
--------------------	--------------------

Sale of Stumpage

Sale of Stumpage to Willamina Lumber Co.	\$ 61,510.06
Cost of Stumpage—Carried over from 1948	25,634.90
Gain on Sale of Stumpage	<u>\$ 35,875.16</u>

Summary

Loss on operations	\$ (16,928.03)
Gain on Sale of Stumpage	35,875.16
Gain on Exchange of Hellori	4,248.93
	<hr/>
Total income—State return	\$ 23,196.06
Less: Long term capital gain	
Sale of Hellori	\$ 2,124.47
Sale of Stumpage	17,937.58
	<hr/>
Adjusted Gross Income—Federal Return	\$ 3,134.01
	<hr/> <hr/>

Chet and Lois Parker
Schedule of Depreciation—1949

2144

	Date Acquired	Estimated Life	Cost	Prior Deprec.	Current Deprec.	Total Deprec.	Value 12-31-49	Disposed Of
Tractor	2- 1-46	5 yrs.	\$ 3,500.00	\$ 3,500.00	\$	\$ 3,500.00	\$	
Tractor loader	1-20-47	5	4,460.00	1,784.00	892.00	2,676.00	1,784.00	
48 Ford Pickup	4-10-48	4	1,463.12	274.34	365.78	640.12	823.00	
49 Jeep	8-12-48	4	1,500.00	125.00	375.00	500.00	1,000.00	
Attachments	12-30-48	4	550.00		137.50	137.50	412.50	
49 Mercury	1-31-49	4	2,784.00		696.00	696.00	2,088.00	
49 Ford	10- 8-49	4	1,757.30		109.83	109.83	1,647.47	
Also Prop.—Land	2-26-49		500.00				500.00	
(ved) Prop.	2-26-49	15	3,500.00		194.45	194.45	3,305.55	
Refrigerators	6-20-49	7	200.00		14.25	14.25	185.75	
Arm—Land	7- 8-49		1,000.00				1,000.00	
Chicken House	7- 8-49	15	2,500.00		83.34	83.34	2,416.66	
Machine Shed	7- 8-49	12	700.00		29.20	29.20	670.80	
Well	7- 8-48		1,500.00				1,500.00	
Rental Apartment	7- 8-49	10	500.00		25.00	25.00	475.00	
Furnishings	7- 8-49	5	300.00		30.00	30.00	270.00	
Fishing Boat	7- 8-49	20	17,000.00	425.00	141.67	566.67	16,433.33	2-26-49
Binoculars	11-24-48	20	109.09	.45	.91	1.36	107.73	2-26-49
Barometer	12-20-48	20	1,018.50		8.49	8.49	1,010.01	2-26-49
			<u>\$44,842.01</u>	<u>\$ 6,108.79</u>	<u>\$ 3,103.42</u>	<u>\$ 9,121.21</u>	<u>\$35,629.80</u>	

EXHIBIT No. 52

[Exhibit 52 is the 1948 U. S. Individual Income Tax Return, Form 1040, of Chester and Lois Parker. The first page shows a net loss of \$32,-865.75. Attached to the printed form are four type-written sheets, reading as follows]:

Chester and Lois Parker
Sheridan, Oregon

1948

Income:

Sales of Logs—Oregon Pulp and Paper (cutting)	\$22,638.05
*Willamina Lumber Co.	7,164.89
*Associated Plywood Mills	9,356.75
*Beaver Mill Company	2,813.60
*Glenn Brisbane	1,372.00
	<hr/>
	\$ 43,345.29
Sales of Cold Deck to Willamina Lumber Co. 1,287,500 ft.	28,325.00
	<hr/>
Total Gross Sales of Logs	\$ 71,670.29

Expenses:

Logging Contractors	\$39,145.06
Labor	26,997.80
Telephone	131.66
Licenses & Taxes	38.60
Advertising	116.78
Insurance	1,078.46
Interest	387.36
Payroll Taxes and Industrial Insurance	6,003.22
Cost of Logs sold to Willamina Lbr. Co. (Cold Deck)	6,261.21

*Cost of Logs Sold	4,185.25	
Legal and Professional Fees	265.25	
Gas, Oil and Diesel Oil	1,740.35	
Material Supplies	14,760.17	
Repairs to Boat	8,914.94	
Depreciation	4,139.73	
		<hr/>
Total Expenses	114,165.84	
		<hr/>
Net Loss from Operations		\$ (42,495.55)
Nonoperating Income:		
Sales of Capital Assets—Short Term Gain	\$ 4,462.97	
Long Term Gain		\$1,883.86
Long Term Loss	1,233.65	
		<hr/>
Total Gain on Sale of Capital Assets (Schedule 3)	\$ 5,696.62	
Gain on Sale of Property (Schedule 2)	9,100.00	
		<hr/>
Final Net Loss—State Return		\$ (27,698.93)
50% of Long Term Capital Gain		5,166.82
		<hr/>
Final Net Loss—Federal Return		\$ (32,865.75)
		<hr/> <hr/>

Chester and Lois Parker
Analysis of Cost of Logs—1948

Timber Purchases:	Timber Cruise	Cost
Blanchard Property	2,000,000	
Total Cost of 390 Acres	\$18,000.00	
Allocation of Cost to Land	8,000.00	
Timber Cost @ 5.00 per Thousand		\$10,000.00
Harris Timber	3,000,000	18,000.00
Wanless Timber	1,160,000	3,252.00
Cook Timber	400,000	644.11
Cost of Logs Acquired	6,560,000	\$31,896.11
Total Footage Cut in 1948 1,287,500 ft. which is 19.63% of Total Footage. Therefore cost of Logs sold was		6,261.21
Cost of Carry Forward		\$25,634.90

Sale of Blanchard Farm

Sale of Blanchard Property 6-1-48		\$18,000.00
Cost of Property 12-28-47	\$18,000.00	
Less: Portion Allocable to Timber	10,000.00	
	<hr/>	
Remaining Cost of Property	\$ 8,000.00	
Cost of Sale	900.00	
	<hr/>	
Gain on Sale of Property	\$ 9,100.00	
	<hr/> <hr/>	

Chester and Lois Parker
Schedule of Sales Capital Assets—1948

2150

	Date		Adjusted		Short Term		Long Term	
	Acquired	Date Sold	Cost	Sale Price	Gain	Loss	Gain	Loss
1946 Ford Pickup	10-31-46	9-27-48	\$ 635.62	\$ 1,200.00	\$	\$	\$ 564.38	\$
1947 Ford Truck	6- 2-47	7- 1-48	1,397.19	1,600.00			202.81	
1947 Int. Pickup	3-20-47	4- 1-48	1,075.21	600.00				475.21
Chrysler	10-20-47	7- 1-48	2,975.00	2,800.00				175.00
Motor Patrol Grader	5- 4-48	12- 6-48	2,083.33	3,200.00			1,116.67	
2 D-7 Caterpillar	5- 4-48	7- 1-48	22,910.00	26,000.00	3,090.00			
TD 14 International	4-17-48	6-15-48	9,627.03	11,000.00	1,372.97			
			<u>\$40,703.38</u>	<u>\$46,400.00</u>	<u>\$ 4,462.97</u>	<u>\$</u>	<u>\$ 1,883.86</u>	<u>\$ 650.21</u>

Chester and Lois Parker
Schedule of Depreciation—1948

	Date	Estimated	Cost	Prior	Current	Total	Value	Date
	Acquired	Life		Deprec.	Deprec.	Deprec.	12-31-48	Sold
Yarder	2- 1-46	yrs.	\$ 3,500.00	\$ 3,500.00	\$	\$ 3,500.00	\$	
1946 Ford Pickup	10-31-46		1,130.00	282.50	211.88	494.38	635.62	9-27-48
1947 Ford Truck	6- 2-47		1,862.51	232.50	232.82	465.32	1,397.19	7- 1-48
1947 Int. Pickup	3-20-47		1,433.61	268.80	89.60	358.40	1,075.21	4- 1-48
Berger Loader	1-20-47		4,460.00	892.00	892.00	1,784.00	2,676.00	
Chrysler	10-20-42		3,500.00	175.00	350.00	525.00	2,975.00	7- 1-48
1948 Ford Pickup	4-10-48		1,463.12		274.34	274.34	1,188.78	
1948 Jeep	8-12-48		1,500.00		125.00	125.00	1,375.00	
Motor Patrol Grader	5- 4-48		2,500.00		416.67	416.67	2,083.33	12- 6-48
2 D-7 Caterpillar	5- 4-48		23,700.00		790.00	790.00	22,910.00	7- 1-48
TD-14 International	4-17-48		9,959.00		331.97	331.97	9,627.03	6-15-48
Fishing Boat (Used)	7- 2-48	2	17,000.00		425.00	425.00	16,575.00	
Binoculars	11-24-48	2	109.09		.45	.45	108.64	
			\$72,117.33	\$ 5,350.80	\$ 4,139.73	\$ 9,490.53	\$62,626.80	

EXHIBIT No. 53

[Exhibit 53 includes the 1947 U. S. Individual Income Tax Returns, Forms 1040, of Lois Parker and also of Chester Parker. The return of Lois Parker gives her employer's name as "Parker Logging Company, Grande Ronde, Oregon" and her wage or salary from that employer to have been \$3,600.00, being her total income. It states her occupation to have been "Business Manager" and her total tax \$539.00.]

The return of Chester Parker states his occupation to have been "logging," his total income to have been \$28,620.92, and his tax to have been \$10,863.22.

Attached are two typewritten sheets reading as follows]:

Chester Parker
Grand Ronde, Oregon
1947

Income:

Sale of Logs:

Oregon Pulp and Paper Co.	\$79,503.07
Crown Zellerbach	3,435.64
Pacific Plywood	1,518.42

Total Sales of Logs	\$84,457.13
---------------------------	-------------

Expenses of Log Hauling Operations:

Wages	\$22,769.26
Material and Supplies	8,335.38
Insurance	1,364.98
Telephone	176.18
Advertising	13.50
Gas, Oil and Diesel Oil	1,595.52
State Ind. Ins. and Payroll taxes	2,796.67
Contract Fees Paid to Gypo Haulers ..	39,135.19
Taxes on Business Property	576.49
Theft of Abney and Gas pump	100.00
Loss of Worthlessness of Gerald Allen Note	333.00
Depreciation	1,851.12

Total Expenses	79,047.29
----------------------	-----------

Gain on Logging Operations	\$ 5,409.84
----------------------------------	-------------

Refund of moneys advanced to Arroun
Logging Co. and taken as a deduc-
tion in 1946

9,658.58

Interest income

2.50

Gain on sales of capital assets

27,000.00

Adjusted Gross income—State re-
turn

\$42,070.92

Less: 50% of long term capital gain

13,450.00

Adjusted gross income—Federal
return

\$28,620.92

2153

[illegible]

EXHIBIT No. 54

[Exhibit 54 is an "Application for Tentative Carry-Back Adjustment," Form 1045, of Chester and Lois Parker, unsigned and undated, together with a "Claim," Form 843, for refund of tax illegally collected. This claim contains the following statement]:

Form 843

U. S. Treasury Department

Internal Revenue Service

Claim

To Be Filed With the Collector Where Assessment Was Made or Tax Paid.

Collector's Stamp: (Date received)

The Collector will indicate in the block below the kind of claim filed, and fill in, where required, the certificate on the back of this form.

- ☒ Refund of Taxes Illegally, Erroneously, or Excessively Collected.
- ☐ Refund of Amount Paid for Stamps Unused, or Used in Error or Excess.
- ☐ Abatement of Tax Assessed (not applicable to estate, gift, or income taxes).

Name of taxpayer or purchaser of stamps: Chester and Lois Parker.

Business address: Grand Ronde, Oregon.

Residence: Sheridan, Oregon.

1. District in which return (if any) was filed: Oregon.

2. Period (if for tax reported on annual basis, prepare separate form for each taxable year) from 1-1-1946, to 12-31-1946.

3. Character of assessment or tax: Income tax.

4. Amount of assessment: \$1,591.94; dates of payment: 1-15-47.

5. Date stamps were purchased from the Government:

6. Amount to be refunded: \$1,591.94.

7. Amount to be abated (not applicable to income, estate, or gift taxes): \$.....

The claimant believes that this claim should be allowed for the following reasons:

Taxpayers suffered a net operating loss in 1948 and are therefore entitled to the Carryback Provisions of the Internal Revenue Code. The application of the Carryback to 1946 Income results in a zero tax liability, therefore the entire amount of tax paid for the calendar year 1946 is refundable and now due to the taxpayers detail analysis of the net operating loss carryback and computation of overpayment of tax is set forth in the attached schedule.

Taxpayers hereby request return of tax paid
for the calendar year 1946.

I declare under the penalties of perjury that this
claim (including any accompanying schedules and
statements) has been examined by me and to the
best of my knowledge and belief is true and correct.

Signed

Dated, 19...

[Attached to these documents is a typewritten
sheet, reading as follows]:

1947 Tax Computation

	Tax Per Optional Method Per Original Ret.
Income of Chester Parker—Original return	\$28,620.92
Application of carryback loss—33.82% per 1947 income distribution	16,785.19
	<hr/>
Balance subject to tax	\$11,835.73
	<hr/>
Income of Lois Parker—Original return	\$ 3,600.00
Application of carryback loss 11.18% per 1947—income distribution	2,112.80
	<hr/>
Balance subject to tax	\$ 1,487.20
	<hr/>
Corrected tax liability after application of carryback	\$ 2,788.20
	<hr/>

[There is also a second claim which contains the following typewritten statement]:

Form 843

U. S. Treasury Department

Internal Revenue Service

Claim

To Be Filed With the Collector Where Assessment Was Made or Tax Paid.

Collector's Stamp: (Date received)

The Collector will indicate in the block below the kind of claim filed, and fill in, where required, the certificate on the back of this form.

- ☒ Refund of Taxes Illegally, Erroneously, or Excessively Collected.
- ☐ Refund of Amount Paid for Stamps Unused, or Used in Error or Excess.
- ☐ Abatement of Tax Assessed (not applicable to estate, gift, or income taxes).

Name of taxpayer or purchaser of stamps: Chester & Lois Parker.

Business address: Grand Ronde, Oregon.

Residence: Sheridan, Oregon.

1. District in which return (if any) was filed: Oregon.

2. Period (if for tax reported on annual basis, prepare separate form for each taxable year) from 1-1-1947, to 12-31-1947.

3. Character of assessment or tax: Income tax.
4. Amount of assessment: \$11,402.22; dates of payment: 1-15-48.
5. Date stamps were purchased from the Government:
6. Amount to be refunded: \$8,614.02.
7. Amount to be abated (not applicable to income, estate, or gift taxes): \$.....

The claimant believes that this claim should be allowed for the following reasons:

Taxpayers suffered a net operating loss in 1948 and are therefore entitled to the carry-back provisions of the Internal Revenue Code. The application of the carryback to 1947 Income results in a tax liability of \$2,788.20. Therefore the excess of tax paid for 1947 in the amount of \$8,614.02 is refundable and now due to the taxpayers. Detail analysis of the net operating loss carryback and computation of overpayment of tax is set forth in the attached schedule. Taxpayers hereby request return of the overpayment of tax for the calendar year 1947 as set forth above.

I declare under the penalties of perjury that this claim (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true and correct.

Signed

Dated, 19...

EXHIBIT No. 55

The First National Bank of McMinnville

Frank Wortman, President

Ralph Wortman, Vice President

F. W. Sitton, Cashier

John Wortman, Assistant Cashier

James H. Stanard, Assistant Cashier

McMinnville, Oregon

February 4, 1953.

Nicholas Jaureguy,
1220 Equitable Bldg.,
Portland, Oregon.

Dear Sir:

The following is a list of safety deposit box entries according to our files from July 1, 1950, to December 31, 1950, of Box #118 listed in the name of Lois Parker with deputies listed as Chet Parker and Hattie Hutchens.

July 1—Lois Parker.

July 3—Lois Parker.

July 8—Lois Parker.

July 31—Lois Parker.

August 28—Lois Parker.

September 18—Lois Parker.

October 3—Lois Parker.

October 3—Lois Parker.

December 6—Lois Parker.

December 23—Lois Parker.

It is highly possible that this box was entered by Chet or Lois Parker without their signature being requested by our employees.

Sincerely,

/s/ J. WORTMAN,
Ass't Cashier.

EXHIBIT No. 59

[Exhibit 59 is a certified copy of a Presidential Proclamation dated June 17, 1892, "so far as it relates to the land herein shown." It is the proclamation referred to in paragraph VIII of plaintiff's amended complaint and is relevant only on the question of the title to the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 16.]

EXHIBIT No. 60

[Exhibit 60 is a certified photostatic extract copy of "Oregon School Indemnity Clear List 22, Dallas (The Dalles?)." It proves the allegation in paragraph IX of plaintiff's amended complaint that the State of Oregon selected lieu lands, or indemnity selections, for school lands not obtained, including that in issue here. It is relevant only on the question of title.]

EXHIBIT No. 63-A

Hood River, Oregon.

RFD #2,

November 22, 1943.

Mr. James C. Iler, Forest Supervisor,
Mt. Hood National Forest,
Portland, Oregon.

Dear Mr. Iler:

In reference to your letter of November 6th. It is the purpose of our interests to see that any possible flaw in the title to any portion of my fathers Lost Lake property is cured, and steps are being now taken to that end, whether or not we make any disposition of the land at this time.

As soon as the matter is clarified we will advise you of our conclusions. In the meantime the writer expects to be in Portland in the present week and will contact your office for discussion of any angles of interest pertaining to the above mentioned property.

Yours very truly,

/s/ PAUL WINANS,

[Stamped]: Forest Service—Mt. Hood National
Forest, Portland, Oregon—Received
Nov. 23, 1943.

901 Terminal Sales Building

November 6, 1943.

L

Acquisition—Mt. Hood,
Exchange,
Winans, Paul.

Mr. Paul Winans,
RFD #2,
Hood River, Oregon.

Dear Mr. Winans:

Your letter of November 1 is received.

With regard to the possible flaw in the title to the NE of the NW, it is suspected that such flaw does exist in that the State of Oregon never held title to this tract or at least this is indicated by our records from the General Land Office. However, it would probably require a complete search of all title transfers by an abstractor to determine what if anything could be done to cure the title. It would be useless to try to put through the exchange covering any land for which the title was not clear since it would be rejected when the abstract which you would be required to furnish was reviewed.

In considering Lot 1 separately, a large portion of the timber values would be removed and I doubt if an appraised value of over \$2,800 could be justified. We are still interested in securing the property if you can cure the title so we can deal on the

whole or if you are interetsed in the lesser amount for Lot 1.

Very truly yours,

/s/ JAMES C. ILER,

JAMES C. ILER,

Forest Supervisor.

RFCooke:RH

EXHIBIT No. 63-B

10/23

Ralph

Mr. Winan in today. Said he realized the 40 acres was not clear as to title but that the lot facing the Lake was (Lot 1).

His offer is to exchange Lot 1 for \$8,000.00 and throw in the 40 acres. In addition he wishes to be assured of a summit house site of 5 acres under special use permit on Lake Shore in Lot 1.

Looks impossible to me. Told him we would give him definite answer next week. He also insists upon a quick deal (1 month). If you agree suggest tell him we are not interested.

EXHIBIT No. 63-C

901 Terminal Sales Building
September 24, 1943

L

Acquisition—Mt. Hood,
Exchange,
Winans, Paul.

Mr. Paul Winans,
Route 2,
Hood River, Oregon.

Dear Sir:

Reference is made to your recent conversation with Mr. Cooke of this office.

The evaluation of your property at Lost Lake has been carefully reviewed by our appraisers and in the light of present value it was concluded that a figure of approximately \$7,500.00 could be recommended for this property. The price of \$10,000.00 which you quoted to Mr. Cooke could not be justified. If you are interested in accepting \$7,500.00, please advise us and we will use every effort we can to expedite the exchange.

Very truly yours,

JAMES C. ILER,
Forest Supervisor.

FOSTER STEEL.

By /s/ FOSTER STEELE,
Acting.

RFCooke:RH

EXHIBITS Nos. 63-D, E, F, G, H, I

[Exhibits 63-D to 63-I consist of interoffice communications of the U. S. Forest Service relating to surveys and appraisals of the timber on the disputed property, being dated at various times between August 29, 1951, and January 24, 1944, supporting the statements of value set forth in Exhibit 63-C.]

EXHIBIT No. 64

United States Department of Agriculture
Forest Service

Mt. Hood National Forest

901 Terminal Sales Bldg.,
Portland, Oregon.

January 10, 1944.

Address reply to

Forest Service

And refer to

L

Acquisition—Mt. Hood

Exchange

Winans, Paul

Mr. Paul Winans,

RFD. No. 2,

Hood River, Oregon.

Dear Sir:

Your letter of January 6 and the points brought up in our conversation of the same date have been carefully reviewed.

It will be impossible for us to at this time to accept your land exchange offer for \$8,000 because of the ownership status of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 16, T. 1 S., R. 8E.

We would be glad to continue the negotiations on Lot 1 only, however, as was previously discussed, we cannot justify a value of anywhere near \$8,000.00 for this lot only.

Very truly yours,

/s/ JAMES C. ILER,
Forest Supervisor.

Copy: Mr. Iler, At 2306.

EXHIBIT No. 65

Hood River, Oregon.
RFD. No. 2,
January 13, 1944.

Pacific Abstract Title Company,
408 S. W. Stark St.,
Portland, Oregon.

c/o Hood River Abstract & Investment Company,
Hood River, Oregon.

Gentlemen:

For your information I submit herewith a letter just received from Mr. James C. Iler, Forest Supervisor of the Mt. Hood National Forest whose office

is located in the Terminal Sales Bldg., Portland, Oregon.

The above letter has reference to negotiations for the exchange of Lot 1 and the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 16, Township 1 S., Range 8 E, Willamette Meridian Situated in Hood River County, Oregon. Under date of December 31, 1943, title insurance in the amount of \$8,000.00 was purchased from the Hood River Abstract Company and Pacific Abstract Title Company covering the above description.

As I understand Mr. Iler's letter some question of ownership of a portion of the insured property appears to have arisen. Under the terms of the insurance policy shown the above title as vested in Ethel Winans, I deem it my duty to notify you herewith of the rejection of our exchange offer on the ground of an apparently claimed or inferred defect in said title.

Yours very truly,

/s/ PAUL WINANS.

Kindly return Mr. Iler's letter to me at your early convenience.

[In margin]: Lewis D. Griffith.

#136—37882

Hood River 1331

EXHIBIT No. 66

United States Department of Agriculture
Forest Service
Mount Hood National Forest

901 Terminal Sales Bldg.,
Portland, Oregon.

January 28, 1944.

Address Reply to
Forest Supervisor
And Refer to

L
Exchange—Mt. Hood
Exchange
Winans, Paul

Mr. Paul Winans,
RFD. No. 2,
Hood River, Oregon.

Dear Sir:

Your letter of December 13 has been received.

Our information regarding the ownership status of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ is based on the general land office records which show that this land is still government property. In other words, they never did issue a patent for this tract to the State of Oregon.

While a formal appraisal of Lot 1 has not been made, a rough valuation shows that a value of not to exceed \$2,000.00 since the greater portion of the

timber on which values are based are on the NE¹/₄ of the NW¹/₄.

We will be glad to hear from you regarding the possibility of an exchange of Lot 1.

Very truly yours,

JAMES C. ILER,

Forest Supervisor.

By: BAXTER REED,
Acting.

(Copy)

EXHIBIT No. 67

Hood River, Oregon.
RFD. No. 2,

February 5, 1944.

U. S. Forest Service,
Mount Hood National Forest,
Mr. James C. Iler, Supervisor,
Portland, Oregon.

Gentlemen:

Your letter of January 28 acknowledging mine dated December 13, 1943, has been received. My above referred to letter which made reference to yours of January 10, 1943, was written and mailed to you on January 13, 1944, and should properly have been so dated. I desire to at this time correct my error in misdating same.

Your information regarding the ownership status of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ is carefully noted and has in turn been referred to the Pacific Abstract Title Company, 408 SW Oak Street, Portland, Oregon, who have issued title insurance covering the above description showing the title vested in Ethel Winans. We maintain that W. R. Winans has by virtue of all available records, plats, abstracts and tax assessments been the openly recognized owner in fact of Lot 1 and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 16, T. 1 S., R. 8 E., Willamette Meridian, for many years and that Ethel Winans as his successor in ownership proposes to enforce and maintain all of her right, title and interest in and to all of the above-described property.

Your suggestion of an exchange based on a valuation of \$2,000.00 on Lot 1 separately has been given due consideration. Inasmuch, however, as it has been our wish when and if we should dispose of the property to sell, excepting a summer homesite reservation, in the entirety, and as furthermore, we now have private parties interested in the 65.88 acres as a whole at the price of \$10,000.00 which we first quoted you, we do not feel that we could sell Lot 1 separately otherwise than to our material disadvantage. This in view that our parties are interested largely in peeler timber values.

I wish to thank you for the consideration you have all along given to this matter and to assure you that so long as our family remain the owner of the Lost Lake property that we will be glad to give

consideration to any suggestion therein that may occur to you. I remain,

Yours very truly,

/s/ PAUL WINANS.

C. C. Pacific Abstract Title Company,
Portland, Oregon.

EXHIBIT No. 68

Hood River, Oregon.
RFD. No. 2,

February 9, 1944.

Pacific Abstract Title Company,
408 S. W. Oak Street,
Portland, Oregon.

Attention: Messrs. Will H. Masters, F. E. Raymond.

Gentlemen:

Reference is made to conversation of February 8 in your office between yourselves and the undersigned, Paul Winans, hereto. It is noted that in said conversation you advised that you had mailed a letter or letters under date of Feb. 7 addressed to Ethel Winans and myself regarding certain title insurance issued by yourselves covering the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 16, T. 1 S., R. 8 E., W. M.

It is further noted that you failed to grant my request to read your office copy of your letter of Feb.

7, which original letter had not yet been delivered to Ethel Winans or myself at Hood River. This is regrettable since you made no mention in our conversation of your evident intent to avoid your liability as is stated in the final paragraph of your letter of Feb. 7. On the contrariwise I had at the conclusion of our discussion the definite understanding that you were proceeding to make every effort to remedy whatever question of defect had arisen in the title of the above real estate description, requiring only our cooperation in your support. Furthermore, I had your assurance that my previous letters dated January 13 and 21 and February 1 constituted sufficient notice to you to establish claim of loss on behalf of Ethel Winans under the terms of her insurance policy with you.

As regards your remarks in the second paragraph of your letter, title to the property was acquired by Ethel Winans for a good and sufficient consideration. Title insurance was ordered at the solicitation of your Hood River office at the time the expense of an abstract to be required by the government was being inquired as to. And for the further reason that we have a right to place our reliance upon the expert opinion of a reputable concern whose sole business is that of examining and insuring titles. Our contract with you contains no reservation or stipulation in its list of exceptions and conditions restricting the period of time the insured has been the owner of a property and we cannot permit any such change or modification of the Ethel Winans policy as an afterthought. No repre-

sentation whatsoever as to the title was made by us or would have been accepted by you. It is your business to be "familiar with the situation" in any case.

This letter will serve to notify you that we shall hold you strictly liable on the marketability and each and every other provision of your contract with Ethel Winans.

Your letter of February 7 is being referred to Mr. Frederick M. DeNeffe, Attorney at law, Suite 910, Yeon Building, Portland, Oregon, with instructions to initiate whatever action may be appropriate to protect the interest of Ethel Winans.

Yours very truly,

/s/ PAUL WINANS.

EXHIBIT No. 69

State of Oregon
Office of the State Land Board
State Capitol
Salem

February 23, 1944.

Mr. Frederick M. DeNeffe,
910 Yeon Building,
Portland, Oregon.

Dear Mr. DeNeffe:

With further reference to your letter of December 23, 1943, I wish to advise that I have received from

the National Archives in Washington, D. C., a copy of a letter from the Department of the Interior, General Land Office, dated May 12, 1918, which reads in part as follows:

The Governor of Oregon,
Salem, Oregon.

My dear Sir:

In connection with the adjustment of the Oregon school land grant, your attention is called to the following townships, wherein it appears that the State has received indemnity for school sections within reservations, or which were fractional in area, and thereafter attempted to sell the tracts surrendered or tracts shown to be in place by subsequent surveys.

* * *

Item 4. 40 Acres

T. 1 S., R. 8 E., W.M., Sec. 16

A survey of a portion of this township was made from May 14, to 28, 1885, a plat of survey of the portion surveyed being approved on July 30, 1885. The only portion of Section 16 in this township shown upon the plat are Lots 1 and 2 and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, a total of 100.37 acres, the remainder of the section being unsurveyed. A portion of the township including Section 16 was temporarily withdrawn as a timber reserve, on March 28, 1892, afterward called the Bull Run Timber Reserve, and said section is now within a national forest.

A statement showing the unsurveyed school sections which appeared to be within the Bull Run Timber Reserve was prepared by the Surveying Division of this office, in 1895, from which it appears that the S $\frac{1}{2}$ and NW $\frac{1}{4}$, Sec. 16, T. 1 S., R. 8 E., were within the reserve.

In Oregon City Clear Lists Nos. 7, 15 and 21, approved on May 27, 1891, November 19, 1897, and March 14, 1903; The Dalles Lists Nos. 19 and 22, approved March 22, 1903 and July 30, 1907; La Grande List No. 10, approved March 27, 1903; and Burns List No. 8, approved June 28, 1907, the State received indemnity for the S $\frac{1}{2}$ and NW $\frac{1}{4}$ of said Section 16, and 57.14 acres of the 59.63 acres deficit in the NE $\frac{1}{4}$, caused by Lost Lake, a total of 537.14 acres.

On September 13, 1901, in La Grande List R & R No. 348, the State offered the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 16, T. 1 S., R. 8 E., as base for the selection of the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 28, T. 20 S., R. 21 E., which was approved in Clear List No. 22, on July 30, 1907.

It also appears that on February 11, 1889, the State deeded the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Sec. 16, to Charles A. Macrum, the deed being recorded in Volume Q, page 21, State Record of Deeds. The tract sold being unsurveyed, the State had no title to the same; therefore, conveyed none by the sale, as was the case in the preceding item.

Very respectfully,

Commissioner

You will see from this record that the State Land Board never did have title to the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, and, therefore, could not have passed title to Mr. Charles A. Macrum. Of course, all of our original files in this matter were burned in the State House fire and all that I have is our notations on the plat. I do find, however, a notation on the plat that Mr. Macrum was offered his money back on this 40 acres, provided, of course, that he would deed this 40 back to the state and I find a notation on the plat that Mr. Macrum refused the refund.

As to your client's remedy for this mistake, I would refer you to Section 106-406 to, and including, Section 106-408, O.C.L.A.

Very truly yours,

STATE LAND BOARD,

LEWIS D. GRIFFITH,

Clerk, State Land Board.

LDG:PV

cc—Mr. Paul Winans

Pacific Abstract Title Co.

(Copy)

EXHIBIT No. 70

Hood River, Oregon.

March 3, 1944.

Pacific Abstract Title Co.,
408 S. W. Oak Street,
Portland, Oregon.

Gentlemen:

I am in receipt of your check No. 20363 for \$60.00, dated February 25, 1944, drawn on The First National Bank of Portland, in this city, and payable to my order, with which check was enclosed your letter in which you state that you have cancelled your certain policy of title insurance issued December 30, 1943, being number 136, H. R. 37882, covering lot 1 and the northeast quarter of the northwest quarter of section 16, in township 1 south, range 8 east, of the Willamette Meridian, in Hood River County, State of Oregon.

In and by said policy of title insurance, you insured me, my heirs and devisees against loss or damage, not exceeding \$8000, which I might sustain by reason of any defects in, or unmarketability of my title to all the estate or interest in said land, and said policy covers the fee simple estate as to said land.

I am returning said check herewith and refuse to accept same or any part of the amount of money represented thereby, and I hereby notify you that said policy of title insurance is now, and has been since the issuance thereof, in full force and effect.

You are further hereby notified that you are now liable to me on account of loss and damage to me, under said policy, in the sum of \$6,000.00, on account of the defect in, and the unmarketability of, the title to the following portion of said land: The northeast quarter of the northwest quarter of section 16, in township 1 south, range 8 east, of the Willamette Meridian, in Hood River County, Oregon, with which said defect and unmarketability you are well familiar, as the details thereof has heretofore been discussed with you, and I hereby demand that you pay said sum of \$6,000.00 to me forthwith.

I am surprised that you are attempting, without just cause to evade your liability and agreement under said policy. Your agent urged and persuaded me to accept said title insurance policy instead of having an abstract made of said land. The cost of an abstract would have been considerably less than the title policy, and in this connection I desire to remind you that I paid you \$65.00 instead of \$60.00 as a premium for said policy.

It seems to me that the insurance business would be an exceedingly profitable business if, when a loss occurred under an insurance policy, the insurance company could evade liability by merely tendering back the money paid by the insured as a premium.

Very truly yours,

/s/ ETHEL WINANS.

EXHIBIT No. 73

November 28, 1952.

Memorandum

Title & Trust V. Parker, et al.

Distribution of \$95,250 received by
Winans family

<u>Distributee</u>	<u>Amount</u>
Ross M. Winans.....	\$15,000.00
Paul Winans.....	10,750.00
Mrs. Fair Hand.....	9,500.00
Ethel Winans.....	15,051.75
Audubon Winans.....	15,000.00
Linnaeus Winans.....	15,000.00
Mrs. Jean McNamar.....	1,000.00
Mrs. Kathleen Nichols	1,000.00
Stanley W. Elder.....	1,000.00
Calvin Bram.....	1,000.00*
Mrs. Evelyn Roberts.....	1,000.00*
Mrs. Marie Bourgo.....	1,000.00*
Expenses of sale, surveying, legal counsel, etc.	2,531.32
Balance cash on hand.....	6,416.93
	<hr/>
	\$95,250.00
	<hr/>

*Not yet distributed.

EXHIBIT No. 74-A

[Exhibit 74-A is an assignment from Stegmann to Parker of the option to purchase. It is attached to the amended complaint, as Exhibit G.]

PLAINTIFF'S EXHIBIT No. 74-B

[Exhibit 74-B is a copy of the option from Winans to Stegmann. A copy is attached to the amended complaint, as Exhibit C.]

EXHIBIT No. 76

[Exhibit 76 is the judgment roll of the case of Chet Parker v. Millard T. Ellis, in the Circuit Court for Yamhill County. A default judgment was entered in favor of plaintiff on October 27, 1950.

This was an action in which Chet L. Parker as plaintiff verified the Complaint July 28, 1950, and which Complaint was filed August 23, 1950, to recover the possession of a 1946 White Truck, Motor No. 140 A 16663, Serial No. W 17 T 382. The default judgment entered therein recited plaintiff had recovered possession of said property.]

EXHIBIT No. 77

[Exhibit 77 appears to be the file of an insurance adjusting company. The first sheet is a carbon copy of a letter reading as follows:]

July 12, 1950.

Mr. Chet Parker,
Route 1, Box 46,
McMinnville, Oregon.

Re: Our file #32458
Stegmann, Heider and Parker.

Dear Mr. Parker:

We are enclosing a draft in the amount of \$8,000.00 in payment of your claim. You will note the draft is made payable to all three men. We forwarded Mr. Heider's release of interest to the company and specifically asked them to issue the draft to Walter Stegmann and yourself. We are sorry for this and hope this will not be a great inconvenience to you.

Yours very truly,

JACK C. NEER COMPANY,
By DONALD C. STOUT.

DCS:be

[Included is a carbon copy of a letter dated July 20, 1950, from Jack C. Neer Co., to Standard Marine Insurance Company, extracts from which are as follows:]

June 20, 1950.

Standard Marine Insurance Company,
c/o Bates, Lively & Pearson,
Yeon Building,
Portland, Oregon.

Re: Policy No. : IM 21518

Assured : Walter Stegmann and/ or
 : Otto W. Heider and/or
 : Chet Parker

Loss : 5-25-50

Our file : 32458

Gentlemen:

The following is our investigation of the above-captioned loss.

Assured:

Your assured is Walter Stegmann and/or Otto W. Heider and/or Chet Parker. Mr. Stegmann gives his address as McMinnville, Oregon, while Mr. Heider and Mr. Parker give their address as Sheridan, Oregon. The principal insured under this policy is Mr. Stegmann, who is a log operator, operating throughout the western part of Oregon. At the present time, he is in the process of logging in Tillamook County, Section 7, 3 So., 7 W., on the Upper Nestucca River, in an area which is locally known as Square Top Mountain. Mr. Stegmann

owns several pieces of equipment and is known as a careful log operator.

* * *

Salvage:

The salvage to this tractor was very questionable in this case. It would have cost in the neighborhood of \$500.000 to bring a tractor to the scene of the loss, to winch the various parts and pieces of the tractor out of the canyon. Mr. Parker, one of the assureds, therefore, agreed to purchase the tractor as is in the canyon at a cost of \$1,500.00. Using the valuation of \$10,000.00 on the tractor would make Mr. Parker's bid \$3,500.00 for the salvage. Under these circumstances, we felt that this was an excellent offer and no other salvage buyer was willing to travel to the remote territory in an attempt to salvage the tractor when it was fully explained to them what the damage consisted of. We have, therefore, taken a bill of sale from Walter Stegmann and Otto W. Heider to Mr. Parker for the salvage. Because of the various interests in this tractor, we have taken a proof of loss for the full amount of \$8,000.00 and have received from Mr. Parker his check for \$1,500.00 in payment of the salvage.

Remarks:

We are enclosing a release of interest in the above-described tractor signed by Otto W. Heider. May we recommend, therefore, that you draw your draft in favor of Walter Stegmann and Chet Parker, forwarding it to your agent for delivery in the regular manner.

Also enclosed is our check in the amount of \$1,500.00, which is in payment of the salvage, and the above-described policy for flat cancellation.

As this concludes the adjustment, we are closing our file and attached is our expense bill.

Yours very truly,

JACK C. NEER COMPANY,
By DONALD C. STOUT.

DCS:be

Enc.

BILL OF SALE

For Ten Dollars (\$10.00) and other valuable considerations to me in hand paid, the receipt of which is hereby acknowledged, the undersigned hereby grant, bargain, sell, transfer and deliver to Chet L. Parker my full right, title and interest in One HD-14 Allis Chalmers tractor—Serial #HD14-1365 with Kable dozer, 9-ft. blade and Carco single hoist. It is expressly understood that the above-described property is sold by the undersigned in an “as is, where is” condition, without warrants, express or implied, as to merchantability, suitability, quality or fitness for any particular purpose.

Witness my hand and seal this 8th day of June, 1950.

/s/ WALTER STEGMANN,

/s/ OTTO W. HEIDER.

Witnesses:

/s/ LOIS M. PARKER.

EXHIBIT No. 78

The First National Bank of McMinnville
Frank Wortman, President
McMinnville, Oregon

Jan. 10, 1953.

Cake, Jaureguy & Hardy,
1220 Equitable Bldg.,
Portland 4, Ore.

Gentlemen:

Replying to your letter of the 2nd requesting information relative to the Parker case, we enclose the original letter from the Hood River, Ore. Branch of the First National Bank of Portland, which we will thank you to return to us when it has served its purpose.

While we have made notation on this that we called the bank, we have no recollection of the information given, but believe we could not have given much as we did not know of his operations. At that time we held a mortgage on his home here of some \$1,500.000.

We do not believe that we had correspondence regarding checks by Stegmann to Parker's account and if checks were ever so cashed, we would be glad to refer to our recordak records if dates would be supplied. You will appreciate that without dates we could not go through all films to locate any such item.

If and when we get the safe deposit box dates collected, we will send the originals to you.

Very truly yours,

/s/ FRANK WORTMAN,
President.

W-g

Received January 12, 1953.

EXHIBIT No. 80

Earl T. Newbry
Secretary of State
Salem, Oregon

January 21, 1953.

Griffith, Phillips & Coughlin,
Attorneys at Law,
Electric Building,
Portland, Oregon.

Attention: Mr. Black

Gentlemen:

Following is the information requested in our telephone conversation of this date:

Certificate of title No. A1157118 covering a 1946 White Truck, motor No. 140A16663, serial No. 319306, was issued June 7, 1948, in the name of Delmer G. Wilks, Route 1, Box 294, Tillamook, Oregon, subject to a lien of \$3,128.85, dated May 26, 1948, in the form of a Chattel Mortgage in favor of Commercial Bank of Tillamook, Tillamook, Oregon.

On November 22, 1948, the above title was received in this office endorsed for transfer to Walter Stagmann, Route 2, Box 81, Willamina, Oregon, subject to a lien of \$3,817.20, in favor of The First National Bank of Portland, Main Branch, Portland, Oregon. The registered dealer involved in this transfer of title was Diamond Tractor & Equip. Company, 6841 NE Union, Portland, Oregon.

On November 22, 1948, the title was transferred and reissued in the name of Walter Stagmann, Route 2, Box 81, Willamina, Oregon, showing a lien of \$3,817.20, dated November 18, 1948, in the form of a Contract, in favor of First National Bank of Portland, Main Branch, Portland, Oregon.

On July 22, 1950, the above title was received in this office endorsed for transfer to Chet L. Parker, Box 46, Route 1, McMinnville, Oregon, showing him to be both registered and legal owner.

On July 25, 1950, the title was transferred and reissued in the name of Chet L. Parker, Box 46, Route 1, McMinnville, Oregon, showing him to be both registered and legal owner.

On December 24, 1951, a duplicate of this title was issued in the name of Chet L. Parker, Route 3, c/o Oscar Parker, McMinnville, Oregon, showing him to be both registered and legal owner. The application for duplicate title stated that the certificate of title had been lost.

The above title has been received in this office endorsed for transfer to Civic Lumber Company,

18236 NE Glisan, Portland 16, Oregon, showing a lien in favor of Chet L. Parker, 901 E. 26th, Vancouver, Washington. The title is in the process of being transferred to Civic Lumber Company.

If I can be of any further assistance to you in this or any other matter pertaining to this office please feel free to call upon me.

Very truly yours,

EARL T. NEWBRY,
Secretary of State;

By /s/ ROBERT C. GILE,
Supervisor, Motor
Vehicle Division.

The foregoing information was compiled on January 21, 1953, from the official records of the Secretary of State's office.

EARL T. NEWBRY,
Secretary of State.

G:WMc

[Seal of the State of Oregon.]

EXHIBIT No. 81

Claim No. 2-86,646

Automobile Proof of Loss and Release
Collision, Fire, Theft and Comprehensive—
Other Than Total Loss

General Insurance Company of America
First National Insurance Co. of America
Seattle 5, Washington

Policy No.: BL62573.

Assured: Walter Stegmann.

Address: 313 S. Baker Street, McMinnville, Oregon.

Agent: Al Davis.

Expiration Date: 5/22/53.

Make of Car: 1948 Inter & Page & Page Trailer.

Motor No.: HB40017556.

Year Model: 1948.

Trailer No.: SP5333.

Coverage: Form of Collision—250 ded on each.

Claim is hereby made for loss or damage covered
by said policy, as follows:

Date of loss: 5/25/50.

Caused by: Collision, Blaine, Oregon.

Log Truck

Trailer

Towing

Amount Claimed: \$4,304.00, as per vouchers attached, and authorize payment to Chet Parker & Walter Stegmann & Caldwell Finance Co. Except as stated in said policy said automobile belonged exclusively to the insured, was not otherwise encumbered and was used only as stated in said policy; except The loss did not originate or occur through any act, design or procurement on the part of insured or anyone having an interest in the automobile.

The amount claimed hereunder, if paid, will be accepted by the undersigned in full and complete settlement, and the undersigned, in consideration thereof, hereby releases and forever discharges the said Insurance Company from all liability under the above policy for or on account of loss or damage as a result of said occurrence.

In consideration of and to the extent of said payment the undersigned hereby subrogates said Insurance Company to all of the rights, claims and interest which the undersigned may have against any person or corporation liable for the loss mentioned above and authorizes the said Insurance Company to sue, compromise or settle in the undersigned's name or otherwise all such claims and to execute and sign releases and acquittances and endorse checks or drafts given in settlement of such claims in the name of the undersigned, with the same force and effect as if the undersigned had executed or endorsed them.

It is expressly understood that the furnishing of this blank or the preparation of this proof by an adjuster or other representative of the said Insurance Company is not a waiver of any rights of said Insurance Company.

In Witness Whereof, ha
hereto set hand and seal this 24th day of
July, 1950.

[Seal] /s/ WALTER STEGMANN,
 Insured.

Witness:

/s/ ALFRED J. DAVIS.

EXHIBIT No. 82

McMinnville, Ore.
June 23, 1950.

My name is Walter Stegmann, age 29, married and living at 942 Vine St., McMinnville, Ore. On May 25, 1950, I was hauling a caterpillar Tractor up to where I was doing some logging about 10 north of Beaver, Oregon. I had it fastened up on my 1947 Page & Page Trailer and on my 1948 International KB-12 Diesel log truck. I was driving on a crushed rock logging road. I was going up hill. It was quite steep. I had it in "2nd under." I was going up towards "Square Top" forest lookout. I was driving my truck. I was alone. I was

going around a sharp curve when the drive line broke and I had no power. My truck started rolling backward. I found I had no brakes. I think a piece of the drive line must have pierced or cut the air line. The air line is fastened to the frame. The air line was broken after the truck came to a stop down over the bank. I put the air on and it just fizzed out. I tried to back the trailer into the bank. It hit the bank, but it didn't hold and the trailer went down off the side of the road and over the bank taking the truck and cat with it. I jumped out and sprained my leg. The outfit rolled down over the bank and down off the road about 300 feet before it came to a stop.

I have had this truck about a month. I think I purchased it about May 1st, 1950. I purchased it from the Calwall Finance Co., in Portland. I think a Geo. Bremer, of Dallas, Ore., owned it before. I bought this truck from the Calwall Finance Co. for the balance Geo. Bremer owed them and that was \$4700. Then I had to pay Mr. Bremer \$4500 for his equity. So I really paid \$9200 for the truck. I also had to pay an additional \$300 to Mr. Bremer for the license. This included the truck and trailer combination. That is, it was the 1948 International KB-12 Diesel Log Truck and the 1948 Page & Page Trailer. Mr. Chester Parker, McMinnville, Ore., has a second mortgage on this truck and trailer for \$4000. I borrowed money on it to buy some timber. I owe a total of \$4700 Calwall Finance Co., and the \$4000 to the Parkers on their second mtg.

I had two long chains, hi-test, 28 feet long on it the truck and trailer. I had 3 timbers on it. It had log links on it. I had a old chain 28 feet long and one 20 feet long, also.

I have read these pages and think they are right as I remember.

/s/ WALTER STEGMANN.

EXHIBIT No. 92

Otto W. Heider
Attorney-at-Law
Sheridan, Oregon

November 26, 1952.

Messrs. Griffith, Phillips & Coughlin,
Attorneys at Law,
Electric Bldg.,
Portland 5, Oregon.

Gentlemen:

Answering the letter of the Title and Trust Co. and answering your questions on the two Walter Stegmann mortgages, I might say that I do not think that either one were paid out to me, they were taken over by other parties. Stegmann went entirely broke and the equipment was repossessed and taken over by other parties. There will be no date of final payment or amount either. That is my recollection of the transaction, although it was several years ago and that is as I recall it now. I know others had to help him out when he became insolvent, and that was in 1949 or 1950 as I recall now.

I wish I could give you more detailed information. I am,

Respectfully yours,

/s/ OTTO W. HEIDER.

OWH:rb

November 24, 1952.

Mr. Otto Heider,
Attorney-at-Law,
Sheridan, Oregon.

Order No. Y-16-333

Dear Sir:

Relative to my conversation with you of October 24th, I have recontacted the Attorneys for Title and Trust Company and find that they desire a letter addressed to Griffith, Phillips & Coughlin, Electric Bldg., Portland 5, Oregon.

They would like the letter to set out the date of the final payment and the amount of the final payment on the following obligations:

1. Chattel Mortgage from Walter Stegmann to Otto W. Heider for \$4,400.00, dated November 20, 1947, and filed November 24, 1947, as Instrument #16077, covers one Page & Page Trailer.

2. Chattel Mortgage from Walter Stegmann to Otto W. Heider, dated September 23, 1949, and filed October 12, 1949, as Instrument #21725, for \$3,720.00, covers White truck and trailer.

I wish to apologize for putting you to this trouble and explain that our Attorneys feel that a letter would be acceptable to them and would not necessitate them calling you as a witness.

Please accept my thanks for your early reply which may be sent directly to the office of Griffith, Phillips & Coughlin.

Yours very truly,

.....

EXHIBIT No. 93

Memorandum

On August 11th, 1951:

Walter Stegmann came to our place for the purpose of looking over some property at lost lake in section 16. township 1. south 8 east willamette Meridan Hood River County Oregon,

This was the first time that I had Walter Stegmann, we then drove to lost lake, Stegmann driving his Car A Buick convtible. My Brother Paul and Family, My self Ross Winans, date Aug; 11th. 1951, arriving at lost lake we then went to the meander corner North east then to north west to quarter corner A bronz marker mounted On iron pipe a bout 36 inches a bove the ground, then from thare to the South east boundery on lake shore, Returning to car and Home, arrived Home A bout 4.30 P.M. Aug 11th 1951,

Stegmann, taking taking option on The property at Lost Lake, in section 16 township 1 south 8 east willAmtte meridan Hood River County Oregon,

Stegmann gave his check on The First Natinoal Bank of Mcminnvllle Mcminnnlle Oregon, for the OpTion for the lake property,

On August 18th. 1951, second trip to Lost Lake Survyors Bogar and Haynes, Paul and Ross Winans Drove to the Lake in M. Bogar Car August 18th. 1951, Starting at the North East Meander Corner from thare west to quarter corner Bronz marker, North West, The Stegmann Bros: Walter and Carl

joined us that 18th. aug. 1951 Lake, as the 18th. fell on saterday we did not finish returned home, That evening,

On August 25th. the Surveyors Bogar and Kunz, returnd To finish the survy around the 25. and 88.100 acre tract, Walter StegMann, Came out with Paul Winans, on that day, Paul Boys Alfred and, Ralph; all so Allen Winans, August 25th. 51. now that we had finish The outer bounders for the property, as yet thare was the 8 and 8 tenth Acre tract to be taken out of the 25. and 88.100 acre tract, then Walter Stegmann and Chet Parker and Parkers Boy came and went up to The lake and run lines we our selves did not go out them; this was About 27th. 1951, aug.

Later on or About the 30th. august 1951 Stegmann and Parker and the Parker Boy returned Walter Stegmann Driving a Ford Mercury Sedan, My Brother Paul Winans and my self Ross Winans Road to the lake the 30inst: with Stegmann and Parker, we arrivid at the Lake and ran lines and Iron pipe at corners all so masured with a one Hundred foot steel tape, and untill that time I did kno Whom the man Parker was he then intrduce him self as Chet Parker and Said call me Chet; all so said this is the most Beautiful Lake I Ever saw; Stegmann is ahard Man to deal with but I Must have some of the Property for my self,

Parker used what we call astaf compas Most all timber Crusers use the same;

EXHIBIT No. 94

Bargain and Sale Deed

Know All Men by These Presents that Ethel Winans, a single woman now and at all times since acquiereing title to the real property hereinafter described of Hood River, Oregon, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration to me in hand paid by Stegmann of, Oregon, have bargained and sold and by these presents do grant, bargain, sell and convey unto the said Stegmann, and unto h. . heirs and assigns the following described real property in the County of Hood River, State of Oregon, to-wit:

The Northeast quarter of the Northwest quarter, and Goverment Lot One in Section 16, Township 1 South, of Range 8 East, of the Willamette Meridian, containing 65.88 acres of land, more or less,

Saving and Excepting therefrom the following described tract of land: Starting at the existing Meander Corner at the intersection of the Section line between Sections 9 and 16, Township 1 South, Range 8 E.W.M. with Lost Lake as set by the General Land Office and now being in nine inches of water, and then following in a Southwesterly direction along the meander line of Lost Lake to an 1" iron pipe set in the edge of the water, which point may also be reached by starting from said Meander Corner and running thence West 43° 00' South a distance of 100 feet to a point, thence West 42° 30' South a distance of 100 feet to a point, thence West

38° 10' South a distance of 100 feet to a point, thence West 38° 40' South a distance of 100 feet to a point, thence West 32° 10' South a distance of 100 feet to a point, thence West 30° 30' South a distance of 100 feet to the said 1" iron pipe set in the edge of the water on the shore line of Lost Lake, which 1" iron pipe is the true point of beginning for the land hereby excepted (and which said pipe has a 5" live cedar bearing tree bearing West 16° 00' North a distance of 22.05 feet and a 14" dead cedar bearing tree bearing West 07° 40' South a distance of 26.25 feet), thence West and parallel to the East and West center line of said Section 16 a distance of 200 feet to an 1" iron pipe (having a live Hemlock bearing tree 36" in diameter bearing South 07° 00' West a distance of 6.42 feet and a white fir bearing tree 8" in diameter bearing East 25° 00' North a distance of 13.17 feet), thence South and parallel to the North and South center line of said Section 16 a distance of 286.12 feet to a point, thence West and parallel to the East and West center line of said Section 16 a distance of 137.84 feet to an 1" iron pipe (having a live cedar bearing trees 24" in diameter bearing South 09° 00' West a distance of 3.33 feet), thence South 33° 00' West a distance of 673 feet, more or less, to the Southwest corner of said Government Lot One, thence East along the South line of said Government Lot One a distance of 848 feet, more or less, to the meander line of Lost Lake, thence in a Northerly direction following the meander line of Lost Lake a distance of 900 feet, more or less, to the point of beginning.

EXHIBIT No. 101

[Exhibit 101 is a deed from Winans to Parker. It is attached to the amended complaint as Exhibit B.]

EXHIBIT No. 102

United States Department of Agriculture
Forest Service
Mount Hood National Forest

L

Acquisition—Mt. Hood

General

September 27, 1951.

Registered Mail
Return Receipt Requested

Mr. Chet L. Parker,
McMinnville,
Oregon.

Dear Sir:

We recently noticed that a deed had been recorded in Hood River County conveying to you the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$, Section 16, Township 1 South, Range 8 East, W.M.—\$90,000.00.

We wish to inform you the foregoing described tract of land has never passed from federal ownership and is a part of the Mt. Hood National Forest.

Information confirming this may be obtained by

2208

Chet L. Parker, et ux., vs.

writing the clerk of the State Land Board at Salem,
Oregon.

Very truly yours,

/s/ LLOYD R. OLSON,
Forest Supervisor.

EXHIBIT No. 103

Pacific Telegram

Odell, Oregon, Nov. 22, 1951.

3:47 p.m.

Check: Pt ID 1613. 23 wd.

To: Chet L. Parker,
302 E 7th St.,
Vancouver, Wash.

Can you contact me Congress Hotel, Portland,
tomorrow, 1:30 p.m. to 3 p.m. Re statement believe
mutual interest best served through primary con-
ference with you.

/s/ PAUL WINANS.

EXHIBIT No. 106

Order No. HR12-987

Hood River County Branch
Title and Trust Company
Hood River, Oregon

August 30, 1951.

Chet L. Parker,
106 E 33 Street,
Vancouver, Washington.

Property: 40 acres NE $\frac{1}{4}$ NW $\frac{1}{4}$ & 25.88 acres, Lot
1, Sec. 16, Tp. S, R. 8 S., EWM.

Title Insurance Policy: Owner's \$8,000.00.

Increase of Insurance From: \$8,000.00 to \$125,-
000.00.

Abstract of Title:

Reissue	\$ 45.00
Increase	385.00
	<hr/>
Total	\$430.00
Paid on account.....	25.00
	<hr/>
Balance Due	\$405.00

[Stamped]: Paid Aug. 30, 1951, V.V., Title &
Trust Company, Hood River, Oregon.

EXHIBIT No. 107

[Exhibit 107 is a title report from Hood River County Branch of Title and Trust Company, addressed to Chet L. Parker, dated August 15, 1951. A copy is attached to the amended complaint as Exhibit D.]

EXHIBIT No. 112

Marsh & Marsh
Attorneys-at-Law
McMinnville, Oregon

September 25, 1951.

(Copy)

Title and Trust Company,
325 S. W. Fourth,
Portland, Oregon.

Re: Policy No. HA12-987.

Gentlemen:

On September 12th, 1951, you issued your Policy No. HR12-987 in the sum of \$125,000.00 to Chet L. Parker, insuring him against loss or damage not exceeding \$125,000.00, which he may sustain by reason of any defects therein or unmarketability of the insured's title to all of the estate and interest in the real premises described therein.

Mr. Chet L. Parker has been notified by your Hood River office that there is a serious defect in the Title to that portion of the property described as the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 16, T. 1, S. R. 8 E. of the Willamette Meridian in Hood River County, State of Oregon.

This is to notify you that in accordance with the provisions in the Policy that a defect, lien or encumbrance exists.

As we understand the situation, the United States Government now contends that the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$, Sec. 16, T. 1 S R. 8 E. of the Willamette Meridian in Hood River County, State of Oregon, is owned by it. It is the contention of the Government that this portion of Sec. 16, T. 1 S., R. 8 E., of the Willamette Meridian was never surveyed and hence the title did not pass to the State of Oregon, which apparently was a grantor in the opposed chain of Title.

Mr. Parker has not personally made a check of the title to see whether the defect is serious or not but we understand it is the contention of the Government that title to this part of the property is vested in the United States of America.

Very truly yours,

MARSH, MARSH & DASHNEY,

/s/ FRANCIS E. MARSH.

FEM:kmw

cc—Chet Parker.

EXHIBIT No. 113

November 2, 1951.

Griffith, Phillips & Coughlin,
Attorneys at Law,
Electric Building,
Portland 5, Oregon.

Re: Chet L. Parker.

Gentlemen:

I wonder if we could have an answer to our letter of recent date regarding the above-entitled claim.

Very truly yours,

MARSH, MARSH & DASHNEY,
FRANCIS E. MARSH.

FEM:kmw

EXHIBIT No. 115

8-13—cont.

Walt has a option on, I-E, 8-N, Sec. 16. Dinner and lunch, Hood River, and stayed all nite. Hood River, total \$12.00.

The timber is very good indeed, so am buying. Stegmann's option tonite or tomorrow. He wants \$25,000.00 and the option calls for a total price of \$100,000. Stegmann has paid \$1,000 now and is to pay out of the money I pay him another \$4,000 on election to purchase.

8-14

Drove to V. Wn. R. M. Took G.M.C. truck to Mc. and worked on Peterbilt rest of day. I seen Multnomah Plywood today about selling them the Lost Lake property. They need very badly the peelers and Mr. Kenny is going up tomorrow to look at it. Walt Stegmann is going along to show Kenny the $\frac{1}{4}$ corner. I wish I had more time so as Stegmann's hours would be less. As of this time on he is working on the lines and attempting to find the SW. Cor. Lot 1 and the SW. Cor. NE $\frac{1}{4}$ -NW $\frac{1}{4}$, which is going to be hard to find.

Oregon Tractor wants our old steam shovel for \$300.00. That is probably all it is worth.

8-15

Sold Ore. Tra. shovel. Sold Willis Manufacturing Co. V. Wn. 2x4 lumber at Cottrell Mill.

Mr. Dufur of the Ore. State Industrial Ac., was to see Lois and to audit our books.

8-16

Drive to Gold Beach and looked at Mr. Henning's timber up near the Illoise River. Stayed all nite in hills, packed 4 miles; damed good and tired. Timber no good.

8-17

Drove home from G. B. and stayed all nite V. Wn. Wanda Grey was here and wanted to know of any one that could finance her logging. I could not

help her. Seen W. Stegmann and he wants me to go with him to pay Winans so I will know they are paid the other \$4,000. I said I would.

8-18-51

Lois is trying to trade her folks farm off for something they could use.

Walt Stegmann and I seen P. Winans and told him that from now on he would be dealing with me, as I had bought all of W. Stegmann's interest in the property at Lost Lake. However, we agreed Walt S. would do the surveying for us both on the reserved land and if Mr. Winans wants more of the swanp land he is to survey for that, too. I said I would pay the bill and for any maps drawn.

Mr. Winans hunted for his \$8,000 Title Ins. policy, but could not find it. I don't know what good it would do me. I sure did get tired of listening to Stegmann and Winans talking of their deal on Winans' housing project. It seems Walt is going to help Winans finance some houses if they can get together. They sure are doing a lot of dickering—am sure glad I don't have nothing to do with it. They asked me what I thought of it. I told them I knew nothing about housing.

8-19

Looked at some timber.

8-20

Lois and her folks completed deal with the Roy Merriots. Oscar and Charley finished the settling of the estate.

Lois and I met with the Directors of Mult. Ply. 7:30 P.M., Port., to discuss the Lost Lake deal. The deal as follows: Total price \$180,000 on their cruise; \$67,000 down and \$33,000 carried till next year, then for every M. M. they log another \$25,000 till \$180,000 is paid, plus 5% interest. Also I am to release Bear Creek timber and in return I will take mortgage on some Southern Ore. timber they own.

8-21

Clyde Smith called and said they probably take timber and wanted me to show two of the directors the timber. Walt S. is too busy to show them the corners. He and Winans are building houses it seems. Oh well, I will take them tomorrow.

8-22

Myron and I drove to Hood River and showed Mult. Ply. the corner then left them at Lost Lake.

8-23

8-24

Showed people our ranches at Ballstrom.

8-25-51.

Looked at timber and purchased a Stetson hat—\$12.50.

8-26-51—Sunday.

We three had a lovely day today. Went to see my brothers. Then came home. I really like to take

a lunch and we three stop along road and eat. Floyd wants to sell his $\frac{1}{4}$ interest for the sum of \$3,000

8-27-51.

Completed the deal of buying Floyd out today at Marsh & Marsh. Mc then drove to The Dalles—stayed Ore. Motor Motel—called Paul Winans at Hood River and asked him when he wanted to go to Lost Lake and set the corners for the reserved land he gets. He said he would let me know when, in the very near future.

8-28-51.

I and my son and Walt Stegman drove to Lost Lake so I could explain to Walt on the ground that I did not want Winans to get any timber in their reserved area, and for him to try and run the lines accordingly. After all he is getting paid by me and if Winans wants someone to run the lines for him he can pay for it. Walt informed me he would do and run the lines as Winans and I agreed on. But we would have to agree before he could run lines or set any corners. Stayed all nite The Dalles.

8-29.

Drove to Port. to get some legal advice. Drove back to The Dalles.

8-30.

Bonnie Butler was here to see us about some timber on 15-Mile Creek.

Lois and I drove to Hood River to get title ins. on the Winans property. The cost, \$405.00 plus \$25.00 already paid.

It seems like I have so much timber to look at and never can get around to it all—so damn much walking.

Seen Walt Stegman in town and he had been with Winans today working on their housing financing. And Paul Winans said to tell me if he seen me that he could and would go to Lost Lake now and agree with me on the land to set aside. I told Walt tomorrow, and I called Paul and confirmed it. Then drove back to The Dalles. The Title Co. said I could get policy tomorrow evening.

8-31-51.

Myron, Walt Stegman, Paul and Ross Winans and myself went to Lost Lake and set out the 8 8/10 acres. I hope Walt Stegman's surveying is O.K. Seems like a lot of land. I had to argue with Paul Winans a lot and he sure got mad. I also had to run instrument while Walt measured and run chain. It was a good thing he told me how—I know so little about running lines and setting corners. Maybe he doesn't charge too much at that. Got back to Hood River 6:00 p.m., too late to get title policy—but I guess they will keep it as long as they are paid.

9-1-51.

Lois and I went to Mc to see some timber on Pea Vine. (No good.)

9-2-51.

Lois and I stayed with her folks.

9-3-51.

Port. Blakely Milling Co. wants me to look at 60 mm. of pine they have at Pendleton, Ore.—6100 Arcade Square, Seattle, Wn.

9-4-51.

Lois, Paul Wardell and myself drove to Port. Lois stopped off and finished up the escrow—with Mult. Ply. Bear Creek Timber.

Paul Wardell and I drove on to Hood River to see Paul Winans—Walt Stegman and Paul Wardell are working out a deal on Winans' housing. I am having nothing to do with it. The two Pauls did a lot of talking, but I stayed outside and did not hear any of the conversation. Then I drove P. Wardell to H. River and he checked the court house records and found that P. Winans at various time had judgments against him and he was not going to have anything to do with him at all. Then drove to Port. Got home 8:00 p.m.

Winans is too busy building houses to talk very much with me about Lost L., but I guess other than running lines and setting corners is about all that is left to do.

9-5-51.

Lois, Myron, and I drove to The Dalles to look at timber on 5-Mile Creek.

9-6-51.

Stayed all nite Ore. Motor Motel. Looked at timber—DuFur. Sister has changed her mind and is not going to live with us.

9-7-51.

Lois, Myron and I drove to Lost Lake and stayed all nite. Bought \$7.50 groceries Hood River. Ate breakfast Goldys, The Dalles—\$2.95.

9-8-51.

Left Lost L. 9:00 a.m. Met Bonnie Butler, Hood River, and he is trying to get us to go to Pendleton Round-Up. He said we could stay with friend—C. L. Jamison—Cattleman's Assn., Pend. Winans called and said they were ready to deal finish.

Lois and I drove to Mc to get bank draft from Jake Wortman, to pay the Winans tomorrow. Lois bank draft to the amount of \$95,000—is payment in full to Ethel Winans.

9-10-51.

Winans said he might want more land and we agreed on a price of \$4750.00 for the land—swamp—and creek 300—?' N. of S.W. cor. Lot 1.

If Walt Stegman and Mr. Hines can figure the met. and bounds of this awful piece of land. It sure will be a hard one to figure. It will cost more to engineer than the land is worth. Walt and Mr. Hines sure don't agree on their surveying. I left

Lois to get Mr. Abraham's to look after our interest in the Winans deal, because I had to go to Dufer, Ore.

Lois got the deed—bargain and sale 4:30 p.m., too late for Mr. Abrahams to get a good look at it.

Lois and I finally decided to put it in my name instead of Associated Engineers, but we can write it in, I guess.

Lois and Abrahams decided to wait till morning to close deal.

I wasted my day at Dufer, waiting for a cruiser to show me timber, but will go back tomorrow. So Lois will have to finish the Winans deal.

Walt Stegman said they had to copy the description 3 or 4 times because he and Hines could not agree on the lines and amount of acres. I paid Walt for his work on the lines and corners, Winans' property, in full. I guess we don't need him any more. It is up to Lois and Abrahams to finish and complete the deal—payment and looking over deed. I sure am tired of walking over the hills these hot days.

Walt said if he would have had anything to do with the deal he would have told Winans to go to hell.

9-11-51.

Very hot. I went to 15-Mile Creek, got to Hood River after dinner and asked Title Co. for Owner's

policy. They said it would be ready the (evening) 12th.

Left Hood River to be at Abraham's office at 9 a.m. We checked records to see if judgments were cleared. I gave Mr. A. the draft for \$95,000, which he took to V. Parker's office to pay Winans and pick up deed. I got tired of waiting, so went to see what was keeping them. Found that Mr. Winans had not yet arrived. Talked briefly with Mr. Parker and Abraham and left Mr. A. to finish deal. I was very reluctant to leave so much money without getting a deed but felt Mr. A. would look after the money, which he did. Met Mr. A. in court house where we recorded deed, then we went to bank and had the checks transferred to Chet's name. \$4750 for land and \$105.50/100 for revenue stamps. Mr. A. put on too many stamps. Then went to Mr. A. office where I paid him. Had no check, so paid him in cash. Mr. Winans told Mr. A. quote, "There is a technicality in the title," but Mr. A. says it wasn't important. As Title and Trust didn't show anything, it must not be. Glad this deal is over with and paid for. Staying at Ore. Motor Hotel to-nite. It seems like all Myron and Chet do is look at timber and bring rattlesnake rattles home.

9-12-51.

Ate breakfast, dinner, supper, Goldeys, \$10.10, Ore. Motel. Look at timber near Dufur. I will have to go to Canada to look at 431 m.m. in very near future. I would like to have Mr. Olivers Ranch at John Day. However they want a lot of money.

9-13-51.

Drove to Hood River, then Stevenson about logs—Mr. Goheen. Then to Bingen to see Hart Lehman—not home—about money he owes us. Then drove to Port. to get purchases policy out of bank. Then drove to Coring to see Mr. Ashford. Then drove to Hood River. Stayed at Lone Pine, \$5.00. Supper, pops, \$2.95.

9-14-51.

Lois, Myron and I left Hood River noon. Breakfast and cafe, \$2.75.

Lois and I went to the T.&T. Co. Hood River to turn in our purchasers policy for a owners policy now that we have it paid for and deed recorded.

Attention.

Ed Miller told Lois something was wrong, so Lois came and got me. It seems the Forest Service lays claim to a part of the property. He seen someone at the court house as he was checking title—that told him they owned it. However then he gave us the owners policy and I left very disturbed about it as I have this property sold. Wonder I can get out without costing me too much. Mult. Ply. cruising. Their att. fees making up papers.

Drove to Mc to consult Gene Marsh. He said nothing to worry about, as we had title policy.

Lunch at Brener's, 2.75.

Hutsell's Motel in Mc, 5.00.

Dinner at Palm Cafe, 2.75.

Phone call from Port., 1.35.

Looked over equipment at Mc and cleaned shop. Guess I'll give fruit to some needy people as we've moved it so often since the house burned. Don't like the way yard is kept.

Now I suppose this title is going to cut short our trip to Canada. Sure hope it isn't too serious as the timber is worth all of \$180,000. Now that there is a question about the title, probably we'd better refuse any more financing for Mult. Plywood Lost Lake deal. This way we can avoid difficulty with them since maybe we can't furnish title, because they have done a lot of work on it and we said they could have it. At least we won't furnish the \$100,000 they wanted us to set aside for their S. Oregon deal. Maybe then they'll say "No" on Lost Lake as that way they'd be short of money and couldn't handle both of them. It sure looks bad, the large cost of road building necessary to log timber if the back forty can't be logged with the front piece. Probably can't even afford to log Lot 1.

9-15-51.

Seen Walt Stegman a.m. Then went to work on the porch roof at Mc—painting, etc. 1 qt. paint, \$1.87 (copper). Fix eves trough, solder, .50. Window glass, \$2.00. Courtemanche. Tire repair, Shell Service, \$1.00 (all cash).

Ate supper with Oscar and Alice. Stayed all nite Hutsell's, Mc, \$5.00 Breakfast, lunch, Palm Cafe, Mc, \$7.25.

9-16-51.

Ate breakfast, Palm Cafe, \$1.75. Then Lois, Myron and Connigo drove to Hood River. Ate lunch at Cascade Lock, \$2.95. Dinner, Apple Blossom, \$3.25. Stayed all nite Lone Pine, \$7.00.

Winans was trying to get in touch with me. So I called him. He wants to see me in a day or so. Don't know why. Called Winans 11:45 a.m. He could not hear me at all. So phone call waste of time.

9-17-51.

Myron and Connigo met Mr. Olsen (cruiser) Vancouver Ply. Wn. and we all went to look at the Lost Lake property. Mr. Hurry is his boss. He did not think much of it. Ha. Breakfast, lunch, dinner, pops, \$12.95.

9-18-51.

Lois seen Dr. Corti 6:00 p.m. Met Mr. Crom and Mr. Jack Patrick of the Patrick Lumber Co. Terminal Sales Bld. and we all went to look at the Lost Lake property. He was very mucho impress. Stayed all nite. \$6.00, Port. Motel, food.

9-19-51.

After Lois finished taking her X-rays we drove to Mc. I talked with Jean Marsh about title to the

Lost Lake property. No satisfaction. We then seen Walt Stegman.

Ate breakfast, lunch, dinner (Palm), Mc, \$9.75. Stayed Hutsell's. Wanda Grey was here, 9:30 p.m., with some man.

Worked on Peterbilt, and Myron.

9-20-51.

Attention.

Worked on Peterbilt—Myron. The Title & Trust people were down to see Frank Marsh and myself. Jean was absent. One hell of a mess. Like all Title Ins. Co. or any Ins. Co.

Mr. Rainey wants to sell us 10 acres of land, \$4,200. We are offering him \$3,000. ?? Walt Stegman was here tonite—8:45 p.m.

9-21-51.

Chet and Myron worked on Peterbilt, put both pickups in garage. Generally got things ready to leave. I went in to see Dr. Corti. X-rays turned out to be only aggravation from ankle. Called World and Continental about my insurance. Drove back to Mc. Had both cars greased. Left at 6 p.m. for folks to get boots. Met Wanda Grey at Willamina. She said the fire was at the Blaine summit. We drove on to Hebo to find out. Proved to be on the E. fork of Trask. Very bad fire, tho. Went on to folks. Stayed overnight.

9-22-51—Saturday.

Left Oceanlake about 10 a.m. Drove to Mc. Saw Oscar and Edna. Also called Mr. Tilson with another offer on the Rainy property. Was not able to buy it for \$3500 cash or trade Stutzman's mortgage and \$800 for it. Maybe it's just as well. Took Ply. and Mercury. Left Mc at 1:20 p.m. Chet arrived in Seattle at El Rancho Motel at 5:20. I came at 5:45. Motel, \$5.50. Dinner, \$5.00.

9-23-51—Sunday.

Drove to Vancouver, B. C. Stayed all nite Pacific Auto Court, \$8.00. Meals—breakfast, lunch, dinner, \$15.25. Bridge toll, .25 @ \$2.50. Telephone, \$1.95. It started to rain.

9-24-51.

Lois called some cruisers, Forest Service, and etc. We did not get much satisfaction, so checked out 12:00 noon. Destination Kam Lups, B. C. Breakfast, lunch, V., B. C., \$7.50. Drove to Ashford—dinner \$3.75. Changed our mind after talking to some people at Ashford. So drove to Seattle and stayed at the El Rancho Motel—7½ miles south—city centre.

Policy #HR-12-987.

9-25-51.

Breakfast Seattle, \$2.95.

Left Seattle to go to The Dalles to look at ranch, Willow Creek. Lois looked at ranch. No dice.

Lunch, Yakima, Wn., \$5.20. Dinner, Goldeys, Dalles, \$3.90. Motel, The Dalles, Motor Motel Hotel, \$8.00.

Attention.

Marsh sent letter to Title & Trust.

9-26-51.

Breakfast, Goldys, \$2.50. Left a note for Mr. Bonnie Butler and left for Van., Wn. Left Van., Wn., and went to McMinnville. Ate lunch Van., Wn., Hollands, \$3.90. Dinner Mc, Palm, \$4.20. Parking, \$1.25.

Lois got letter from bank, of Bank of California, paying * * *

EXHIBIT No. 117

Multnomah Plywood Corporation

Nomah-Ply

1500 S.W. Harbor Drive, Portland 1, Oregon

I, Walter L. Bryson, Secretary of Multnomah Plywood Corporation, hereby certify that the following is a true copy of excerpt of Minutes of Board of Directors of said corporation, held on August 20, 1951, this being all the minutes on the subject therein discussed:

“Mr. Clyde Smith, together with Mr. and Mrs. Chet Parker, presented some details having to do with the Lost Lake tract of timber which the Parkers are offering to the company for a total price of \$180,000. The Parkers said they would accept a down payment of \$25,000. We owe the Parkers a balance of \$42,000 on the Nastucca River tract which we are purchasing from them. They are willing to apply this \$42,000 to the Lost Lake tract which, together with the \$25,000 will make a total of \$67,000. Inasmuch as they want \$100,000 applied to this purchase, they are willing to accept the difference of \$33,000 at the time that we would start logging operations. The balance of \$80,000 would be required of us at about the rate of \$25,000 a month figuring that logs would be removed at a rate of about 1,500,000 feet a month.

The Nastucca River tract balance of \$42,000 could be paid for after January 15, 1952. The Parkers

stated that they would be willing to deposit \$100,000 for our use if we needed it to handle the McFadon tract, if that came to an issue and would in turn be willing to accept as security for the \$100,000 title to the Barbour tract.

The tract in question is supposed to cruise about 6,000,000 feet. Roy Kenny's incomplete cruise is in excess of 4,000,000 feet. He reports about 60 per cent peelable logs and of very good quality. The Parkers have offered us the use of their boom at Hood River for rafting purposes. Smith estimates a cost of \$60.00 a thousand feet at Hood River, including the stumpage. Mr. Parker said a road about one-half mile in length would have to be made in order to reach the timber.

After Mr. and Mrs. Parker left the meeting, further discussion and consideration took place. Mr. Smith said he had not seen the timber but intended to do so this week and at the same time invited others of the Board to go with him. It appeared that the Board wanted more information as well as time to give the proposition, so far as financing is concerned."

In Witness Whereof, I hereunto set my hand and Seal of said Corporation, this the 5th day of January, 1953.

[Seal] /s/ W. L. BRYSON.

EXHIBIT No. 118

In the District Court of the United States
for the District of Oregon

No. 6242

TITLE AND TRUST COMPANY, a Corporation,
Plaintiff,

vs.

CHET L. PARKER, LOIS M. PARKER, WAL-
TER STEGMANN, ETHEL WINANS,
PAUL and ELLA G. WINANS, Husband and
Wife; ROSS M. WINANS, AUDUBON
WINANS, LINNAEUS WINANS, R. C.
ELDER, STATE OF OREGON, HOOD
RIVER COUNTY, a Political Subdivision of
the State of Oregon, and UNITED STATES
OF AMERICA,

Defendants.

COMPLAINT

Comes now the plaintiff and for cause of action
alleges:

I.

That plaintiff is a corporation organized under
the laws of the State of Oregon and authorized
thereby to engage in the business of insuring title
to real property.

II.

That by Act of Congress February 14, 1859, ad-
mitting Oregon as a state of the United States of

America, 11 Stat. at Large 383, Chapter 33, Section 4, Sections 16 and 36 in each Township in said state not sold or otherwise disposed were granted to the State of Oregon for use as school lands and that the United States of America is hereby made a party defendant to this action for the purpose of determining what estate or title to the property hereafter described passed to the State of Oregon pursuant to said act of Congress, and determining the validity of the claim of ownership of said property made by the United States of America as hereafter more fully described.

III.

That at the time of the admission of the State of Oregon into the United States of America, the following-described property was a part of the public lands of the United States of America and said property had not been sold or otherwise disposed of; and that subsequent to the admission of said state and prior to February 11, 1889, no patent has been issued on said property by the United States of America:

The Northeast one-quarter of the Northwest one-quarter of Section 16, Township 1 South, Range 8 East of the Willamette Meridian, Hood River County, Oregon,

(hereinafter referred to as "Lot 2").

IV.

That on or about February 11, 1889, the State of Oregon, acting by the Board of Commissioners for

the sale of school, university and other state lands, conveyed Government Lot 1 in Section 16, Township 1 South, Range 8 East, W.M., and the said Lot 2 to Chas. A. Macrum, and that thereafter to the present date Hood River County, as a political subdivision of the State of Oregon has assessed, levied and collected real property taxes on said Lot 2.

V.

That prior to June 17, 1892, no government survey of the said Lot 2 had been made and approved by the Commissioner of the Land Office of the Department of Interior of the United States of America.

VI.

That on June 17, 1892, the said Lot 2, by proclamation of the President of the United States, was set apart and included within that portion of the Mt. Hood National Forest, known as the "Bull Run Timber Reserve."

VII.

That on or about April 25, 1902, the said Chas. A. Macrum conveyed the said Lot 1 and Lot 2 to W. R. Winans by warranty deed.

VIII.

That some time prior to July 30, 1907, the State of Oregon selected the Northwest one-quarter of the Northwest one-quarter of Section 28, Township 20 South, Range 21 East, W. M., as lieu lands for the said Lot 2, and on July 30, 1907, the Commissioner

of the General Land Office of the Department of Interior of the United States of America officially approved said selection of lieu lands.

IX.

That on or about December 29, 1943, the said W. R. Winans and Mary Winans, his wife, conveyed said Lots 1 and 2 to Ethel Winans.

X.

That since December 29, 1943, the defendants, Ethel Winans, Paul and Ella G. Winans, husband and wife; Ross M. Winans, Audubon Winans, Linnaeus Winans and R. C. Elder, have claimed and had an undisclosed interest in the said Lots 1 and 2 and have received undisclosed portions of the moneys hereinafter referred to.

XI.

That at all times subsequent to December 29, 1943, the defendant Paul Winans has been the duly authorized and acting agent and representative and spokesman for the defendants named in Paragraph X above, and the defendant Ethel Winans has acted as trustee for said defendants named in Paragraph X.

XII.

That on or about December 30, 1943, defendants Paul Winans and Ethel Winans made application for and on said date the Pacific Abstract Title Company, by the Hood River Abstract and Investment Co., its agent, issued to Ethel Winans a policy of title insurance No. 136-HR-37882 in the face amount

of \$8,000.00, insuring a fee simple title in said Lots 1 and 2 in the said Ethel Winans free from all encumbrances, subject to certain exceptions contained and set forth in said policy not material herein.

XIII.

That shortly prior to December 30, 1943, the defendant Paul Winans had carried on certain negotiations with the United States Department of Agriculture through the supervisor of the Mt. Hood National Forest, relative to the exchange of said Lots 1 and 2 for other government timber lands, and that on January 28, 1944, the said supervisor advised Paul Winans that the Government owned said Lot 2.

XIV.

That on or about February 23, 1944, the defendants Paul Winans and Ethel Winans retained F. M. DeNeff as their attorney and agent to represent them in connection with the claim of ownership to Lot 2 made by the United States of America and in connection with their rights under said policy of title insurance, and that on said date said defendants and F. M. DeNeff were advised of the facts set forth in Paragraphs V, VI and VIII above.

XV.

That on March 3, 1944, the defendant Ethel Winans made demand upon the said Pacific Abstract Title Company under said policy on account of a defect in and unmarketability of her title to said Lot 2, and the claim of ownership of the United States of America thereto.

XVI.

That on or about April 3, 1944, said defendant Ethel Winans, in consideration of the sum of \$3,000.00 executed a general release in favor of the said Pacific Abstract Title Company and Hood River Abstract and Investment Co. on account of the claim accruing to her under said policy of insurance on account of the defect in and unmarketability of her title to the said Lot 2, and the claim of ownership of the United States of America thereto.

XVII.

That in August, 1951, defendants Paul Winans and Ethel Winans falsely represented to defendant Walter Stegmann that they were the owners of a marketable title to the said Lot 2 and granted and delivered to the said defendant Walter Stegmann an option to purchase said property, a copy of which option is hereto annexed, marked "Exhibit A," and incorporated herein the same as though fully set forth.

XVIII.

That on August 13, 1951, the said defendant Walter Stegmann assigned said option to defendant Chet L. Parker by an instrument in writing, a copy of which is hereto annexed, marked "Exhibit B," and incorporated herein the same as though fully set forth.

XIX.

That at all times subsequent to August 13, 1951, the said defendant Walter Stegmann was the duly authorized agent of the defendant Chet L. Parker

in all matters pertaining to the property described in said option and assignment.

XX.

That defendant Lois M. Parker is the wife of defendant Chet L. Parker and that said defendants claim to be residents of the State of Washington, and that the defendant Lois M. Parker was the duly authorized agent and representative of defendant Chet L. Parker in connection with said option and assignment and the conveyance hereinafter described.

XXI.

That on August 13, 1951, defendant Chet L. Parker made application to plaintiff and ordered from plaintiff a policy of owner's title insurance on said Lots 1 and 2.

XXII.

That at all times herein mentioned the United States of America has been in possession of Lot 2 and has claimed the ownership thereof, and that such facts and the facts alleged in Paragraphs V, VI and VIII above do not appear of record in Hood River County, Oregon.

XXIII.

That on August 18, 1951, defendant Walter Stegmann executed a written notice of election to purchase and received from the defendants Paul Winans and Ethel Winans an acknowledgment of election to purchase, copies of which notice and acknowledgment are attached hereto, marked "Exhibit C," and incorporated herein the same as though fully set forth.

XXIV.

That on September 11, 1951, defendant Ethel Winans executed and delivered to the defendant Lois M. Parker, acting as the agent of defendant Chet L. Parker, a purported bargain and sale deed conveying said Lots 1 and 2 to the said Chet L. Parker, copy of which deed is hereto annexed, marked "Exhibit D," and incorporated herein the same as though fully set forth.

XXV.

That neither Ethel Winans nor Paul Winans nor any other party represented by them disclosed to defendants Chet L. Parker, Lois M. Parker or Walter Stegmann the fact of or basis of the claim of ownership of the United States of America to said Lot 2 or the fact of the claim made by Ethel Winans against said Pacific Abstract Title Co. on account of said claim of ownership and the settlement of said claim until after the execution and delivery of the documents described in Paragraphs XVII, XVIII, XXIV above, and the receipt of the consideration therefore, and that if such a disclosure had been made the said consideration would not have been paid.

XXVI.

That on September 12, 1951, plaintiff, in consideration of the premium received in the sum of \$430.00, issued and delivered to defendant Chet L. Parker its policy of owner's title insurance No. HR12-987 in the face amount of \$125,000.00, insuring the said Chet L. Parker as the owner in fee simple of said Lots 1 and 2, excepting only a portion of Lot 1 not herein material, and subject to the

exceptions and conditions contained in said policy, a copy of which policy is hereto annexed, marked "Exhibit E," and incorporated herein the same as though fully set forth.

XXVII.

That prior to the issuance of said policy of title insurance set forth in Exhibit E, the defendants Chet L. Parker, Lois M. Parker, and Walter Stegmann knew that the United States of America was in possession of said Lot 2 and knew the United States of America claimed title thereto and said defendants failed to disclose to plaintiff their knowledge of said facts.

XXVIII.

That plaintiff did not know that the United States of America was in possession of and claimed ownership of Lot 2 and would not have issued said policy of insurance if said defendants Chet L. Parker, Lois M. Parker and Walter Stegmann, or any of them, had disclosed said facts to plaintiff.

XXIX.

That all of the defendants, with the exception of defendants Chet L. Parker and Lois M. Parker, received some consideration or payment on account of the option and assignment thereof and conveyance described in Paragraphs XVII, XVIII and XXIV above, the exact amount of which consideration and payment is not known to plaintiff.

XXX.

That immediately after September 12, 1951, plaintiff learned of the claim of ownership of the United

States of America and promptly notified the defendant Chet L. Parker of that claim.

XXXI.

That the defendant Chet L. Parker represented to plaintiff that the value of said Lot 2 between August 13, 1951, and September 12, 1951, was \$95,000.00; that the defendant Chet L. Parker now claims that the value of said Lot 2 exceeded \$125,000.00 at said time and that the defendant Chet L. Parker has notified plaintiff that he intends to claim a loss under said policy of title insurance set forth in Exhibit E on account of a defect in the title to Lot 2.

XXXII.

That defendant Chet L. Parker and Lois M. Parker have refused to furnish plaintiff with any proof of value of said property or loss under said policy, although plaintiff has requested them to do so.

XXXIII.

That a bona fide justiciable controversy exists between the parties as to the ownership of said Lot 2, the validity of said policy of title insurance issued by plaintiff, the extent of coverage of said policy of title insurance issued by plaintiff, the extent of coverage of said policy, if valid and in effect, the amount of loss or damage to the defendant, Chet L. Parker, if said policy of insurance is valid and in effect, and the nature and extent of plaintiff's right of subrogation to recover the amount of consideration paid for said option to purchase Lot 2 and paid to the sellers of said Lot 2 against the various

parties, who received such consideration, and its rights against the other parties, and that the whole of this controversy can be settled and determined in this one action.

Wherefore, plaintiff prays that the court make and enter a judgment herein as follows:

1. Determining and quieting the title to the said Lot 2, in the party or parties rightfully entitled thereto.

2. Cancelling said policy of title insurance issued by plaintiff to defendant, Chet L. Parker and awarding said defendant judgment against plaintiff for the sum of \$430.00 together with legal interest thereon from September 12, 1951, until paid and declaring that plaintiff has no further liability under said policy.

3. In the alternative, in the event that the court determines that said policy of insurance shall not be cancelled, determining whether or not said policy of title insurance insures against any loss or damage to the defendant, Chet L. Parker, on account of the rights or interests, if any, of the United States of America in said Lot 2.

4. In the alternative, in the event that the court determines that said policy should not be cancelled and that any loss or damage to the defendant, Chet L. Parker, on accounts of the rights or interest, if any, of the United States of America in said Lot 2 are covered by said policy, determining the value of said Lot 2 at the date of issuance of said policy and

the amount of loss or damage, if any, sustained by the defendant, Chet L. Parker thereunder.

5. In the alternative in the event that the court determines that said policy should not be cancelled and that any loss or damage of the defendant, Chet L. Parker, on account of the rights or interests, if any, of the United States of America in said Lot 2 are covered under said policy, determining the nature and extent of plaintiff's right of subrogation against the defendants, Walter Stegmann, Ethel Winans, Paul Winans and Ella G. Winans, Ross M. Winans, Audubon Winans, Linnaeus Winans and R. C. Elder to recover the consideration paid said defendants for said option and assignment of option and conveyance of said Lot 2 described herein, and determining what the said consideration was and awarding plaintiff judgment therefor.

6. Awarding plaintiff such other relief as to the court may seem proper.

GRIFFITH, PHILLIPS &
COUGHLIN,

By /s/ JAMES K. BUELL,
Attorneys for Plaintiff.

Address of Attorneys for Plaintiff:

807 Electric Building,
621 S. W. Alder Street,
Portland 5, Oregon.

[Exhibits A, B, C, D and E attached to the foregoing complaint are, respectively, Exhibits C, G, H, B and F, attached to amended complaint.]

EXHIBIT No. 123

[Exhibit 123 is a preliminary title report. It is attached to the amended complaint as Exhibit D.]

EXHIBITS Nos. 201, 202, 203

[Exhibits 201, 202 and 203 are satisfactions of chattel mortgages given by The First National Bank of Sheridan, each dated January 23, 1953, and describing a chattel mortgage executed by Walter Stegmann to The First National Bank of Sheridan, recorded in Chattel Mortgage Records of Yamhill County, Oregon, said satisfactions being dated as follows:]

Ex. No.	Date of Original Chattel Mortgage
201	1-19-48
202	7-29-48
203	12- 9-46

EXHIBIT No. 204

Northwest Acceptance Corporation
Formerly
The Courtemanche Acceptance Corp.
Box 89, McMinnville, Oregon, Phone 5801

January 17, 1953.

Mr. John D. Ryan,
918 Equitable,
Portland, Oregon.

Dear Mr. Ryan:

This letter is to certify that Walter Stegmann of Route 2, Box 81, Sheridan, Oregon, gave L. A. Courtemanche, an Oregon Corporation, a mortgage

on a certain 1938 Dodge truck, motor DSP3744, serial 8424374, and an Isaacson single axle trailer complete with truck equipment in January, 1949, for an original total of \$838.03.

This mortgage had been paid down to a balance of \$333.78 when we refinanced the equipment for Mr. Stegmann for a principle amount of \$385.43. We received a payment of \$100 on this mortgage on November 22, 1949, and on December 17, 1949, the balance was paid in full. All papers in connection with this transaction were returned to Mr. Stegmann on December 21, 1949, along with mortgage release.

NORTHWEST ACCEPTANCE
CORPORATION,

/s/ TRACE McDONALD,
Credit Department.

Witness my hand and notarial seal the date and year last above written.

[Seal] /s/ ALMA R. SCHROEDER,
Notary Public.

My commission expires November 13, 1955.

EXHIBITS Nos. 205 and 206

[Exhibits 205 and 206 are satisfactions of chattel mortgages dated Jan. 17, 1953, from L. A. Courtemanche to Walter Stegmann, the original mortgages being dated as follows:]

205.....October 23, 1949
206.....January 27, 1949

EXHIBIT No. 304

Option

On or before three days after date, for and in consideration of the sum of \$1000.00, the receipt of which is hereby acknowledged, I, Paul Winans, acting as the duly authorized agent of Ethel Winans, et al., hereinafter designated as the seller, agree and promise to sell at the option of to Walt Stegmann, hereinafter designated the buyer, his heirs or assigns, the following described real property, to wit: excepting 8.88 acres the location of which shall be selected, measured and set out along Lost Lake by the Seller on or before ten days from date hereof.

For the total sum of \$100,000.00 to be paid as follows:

\$4000.00 on even date of notice—election by the Buyer to purchase under this option and \$95,000.00 on [or before] even date of delivery of a good and sufficient deed of conveyance, conveying said described [property] land by the said seller to the said the buyer. Said deed to be delivered on or before ten days from date hereof.

[The words in light-face brackets [or before] and [property] deleted with pencil in copy.]

/s/ PAUL WINANS,
Agent.

Approved: August 11, 1951.

ETHEL WINANS,
Owner of Title.

WALT STEGMANN,
Buyer.

EXHIBIT No. 305

Option

On or before seven days after date hereof, for and in consideration of the sum of \$1,000.00, the receipt of which is hereby acknowledged, I, Paul Winans, acting as the duly authorized agent of Ethel Winans, et al., hereinafter designated as The Sellers, agree and promise to sell to Walter Stegmann, his heirs or assigns, hereinafter designated The Buyer, at his option, the following-described real property:

NW $\frac{1}{4}$, NE $\frac{1}{4}$ (Lot 1), containing 25.88 acres, and NE $\frac{1}{4}$, NW $\frac{1}{4}$ (Lot 2), containing 40 acres, more or less, in Section 16, Township 1 South, Range 8 East, Willamette Meridian in Hood River County, Oregon, excepting 8.88 acres located along and adjacent to the meandered water shore line of Lost Lake and which shall be selected, measured and staked out on boundaries mutually agreed upon on or before the expiration date of this option.

For the total sum of \$100,000.00 to be paid as follows:

Credit by check subject to collection paid on option herewith.....	\$ 1,000.00
Payment on even date of written notice of election of The Buyer to purchase under this option.....	4,000.00
Final payment to be made on even date of delivery of deed to above- described land by The Seller on or before ninety days from date hereof	95,000.00
	<hr/>
	\$100,000.00

For which The Seller agrees to deliver a good and sufficient deed of conveyance showing title free and clear of all mortgage, contract, judgment or tax liens, conveying to The Buyer all the right, title and interest of The Sellers to the above-described real property.

Signed:

/s/ PAUL WINANS,

/s/ ETHEL WINANS.

Approved:

/s/ WALTER STEGMANN.

EXHIBIT No. 307

Notice of Election to Purchase

Hood River, Oregon.

August 18, 1951.

Paul Winans, Agent,

Ethel Winans, et al.

This will serve to notify you that I herewith elect to purchase the real property situated in Section 16, Township 1 South, Range 8 East, W. M., as set out and described in that certain option granted to me by yourselves on date of August 11, 1951, in consideration of payment of the total purchase price of \$100,000.00 (One Hundred Thousand Dollars) to be paid to you at the time and dates as specified under the terms of said option.

/s/ WALTER STEGMANN.

Acknowledgment of Notice

Walter Stegmann,
RFD No. 3,
McMinnville, Oregon.

Receipt of your check of even date hereof in the amount of \$4,000.00 (Four Thousand Dollars), subject to collection together with notice constituting your election to purchase, is hereby acknowledged.

It is further mutually understood and agreed that

time period for measuring and staking out 8.88 acres to be retained by the Sellers is hereby extended date of on or before August 26, 1951.

/s/ PAUL WINANS,

/s/ ETHEL WINANS.

Approved:

/s/ WALTER STEGMANN.

EXHIBIT No. 308

August 25, 1951.

Agreed that time for completion of survey and staking out 8.88 acres of land retained by Sellers under option dated August 11, 1951, is hereby extended to Sept. 10, 1951, or before, if mutually satisfactory to both Buyer and Seller.

/s/ PAUL WINANS,

/s/ WALT STEGMANN.

EXHIBIT No. 311

Memorandum of Agreement

Witness: That Paul Winans, agent and trustee, for and on behalf of the Sellers, and Walter Stegmann, the Buyer, have on this day and date selected and agreed upon the location and area of the lands to be retained in the ownership of the Sellers as

provided under the terms of that certain option dated August 11, 1951, as described in the following meets and bounds, to wit:

It is further mutually understood and agreed that the deed of conveyance as provided for in said option shall be prepared and delivered, subject to any and all alleged claim or claims of the United States Government running against the NE $\frac{1}{4}$, NW $\frac{1}{4}$, Section 16, T. 1 S; R. 8 E, W. M., conveying from the said Ethel Winans to the said Walter Stegmann, on or before one week after date hereof.

.....
 Approved:

.....

Dated at Hood River, Oregon, September . . . ,
 1951.

EXHIBIT No. 315

Abstract of Title

No. 616

From the Office of
 Oregon Abstract Company
 Hood River, Oregon

Covering the following-described real premises situated in the County of Hood River (formerly and until June 23, 1908, a portion of Wasco County), State of Oregon, to wit:

Lot 1 and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 16,

Tp. 1 South of Range 8 East of Willamette Meridian, containing 65.88 acres.

References to books and pages of records of the instruments shown herein, if prior to June 23, 1908, are to Wasco County records; if after that date, to Hood River County records.

#616—p. 1.

Continuation of Abstract of Title to Lands
Described in the Caption Hereto Attached

No. I.

UNITED STATES,

Grantor,

to

STATE OF OREGON,

Grantee.

Instrument Grant:

Date of Instrument:

Date of Record:

Book: Page:

Consideration: \$

Are Signatures Sealed: Yes.

Names of Witnesses:

Signatures:

Date of Acknowledgment:

Before Whom Acknowledged:

Granting Words:

Covenant, if any:

Description and Remarks

Under Act of Congress August 14th, 1848, setting aside Section Sixteen and Thirty-six in each township to the State for school purposes.

[Exhibit 315, of which the first two pages are set forth above, is an abstract of title to the property involved in this suit, together with certain continuations thereof. The original abstract of five pages and the first extension of one page were dated, respectively, January 2, 1923, and July 20, 1925, both certified to by Oregon Abstract Company. There is a continuation of six pages together with a certificate by Hood River Abstract and Investment Company dated October 4, 1938; and a continuation of five pages together with a certificate dated April 16, 1946, signed by Hood River Abstract and Investment Company. It sets forth descriptions of the documents referred to in Exhibit 6.]

EXHIBIT No. 319

Hood River Branch
Hood River, Oregon

August 10, 1951.

First National Bank of McMinnville,
McMinnville,
Oregon.

Gentlemen:

We have a customer who is contemplating a real estate transaction with Mr. Walter Stegmann which may run into the neighborhood of \$80,000.00. This may be partly cash and partly other property.

As Mr. Stegmann is a stranger to all parties concerned at Hood River, our customer would like to have some idea of his financial responsibility before completing any agreements. Mr. Stegman stated that he carries his bank business at McMinnville and although we do not know which bank, we will appreciate it very much if you will call us collect upon receipt of this letter and give us whatever information you can obtain regarding Mr. Stegmann's financial responsibility and real estate holdings.

We realize that you would not want to use actual figures probably but we would appreciate a reply giving your judgment whether or not Mr. Stegmann

is financially responsible to transact an \$80,000.00 deal.

Very truly yours,

/s/ P.F.B.,

P. F. BUCKLIN,

Manager.

PFB:igh

EXHIBIT No. 320

Hood River Branch
Hood River, Oregon

August 11, 1951.

Mr. and Mrs. Chet Parker,
106 E. 33rd Street,
Vancouver, Washington.

Dear Mr. and Mrs. Parker:

We have had a credit inquiry recently regarding a Mr. Walter Stegmann and we were referred to the First National Bank of McMinnville for information. This bank called us today and stated that they had very little credit information regarding Mr. Stegmann but that if we would contact you folks they thought you would be able to give us Mr. Stegmann's history and a statement as to his financial responsibility. I might add that he is making negotiations for quite a large real estate transaction

which would involve possibly as high as \$80,000.00, either in trade or in transfer of real estate equities.

Our customer would especially like to know, of course, if Mr. Stegmann is financially able to handle a deal of this size, or, in other words, if he has sufficient resources to make the transaction.

We enclose a self-addressed and stamped envelope for your reply and will appreciate very much the benefit of your experience in business dealings with Mr. Stegmann and any information you can give of him along the above lines.

Very truly yours,

/s/ P.F.B.,

P. F. BUCKLIN,
Manager.

PFB:igh

EXHIBIT No. 321

Vancouver, Wn.,
Aug. 15, 1951.

First National Bank of Hood River,
Hood River, Oregon.

Dear Sirs:

In regard to your credit inquiry concerning Walter Stegmann, I will say that we have found him to be honest, trustworthy and capable. I feel sure that Mr. Stegmann has the necessary funds to com-

plete a transaction such as you mention. I have known Mr. Stegmann for a good many years and have never found him to be other than he represents himself. Hoping this may be of some help to you, I remain,

Yours truly,

/s/ CHET L. PARKER.

CLP/mn

EXHIBIT No. 323

[News clipping Hood River Daily Sun, Sept. 13, 1951.]

Lost Lake Land
Sold By Winans

Title to the majority of the remaining privately owned land on Lost Lake changed hands this week when Ethel Winans sold to an unknown purchaser 55 acres of the 65 acres she owns bordering on the lake. The deed was recorded at the court house under the name of Chet L. Parker. On it were revenue stamps representing a transaction involving \$125,000.

Parker's address was given as McMinnville. In that community he is interested in logging. It is estimated there is roughly 4 million feet of timber on the land.

The land located on the west side of the lake was purchased by Miss Winans' father, the late Wilson Ross Winans who acquired it about 50 years ago.

The new purchaser, who apparently was rather secretive about his purchase, was quoted by one person as saying he was purchasing it for a private retreat.

Miss Winans retained 10 acres and most of the 1½ mile of waterfront. All land other than these two tracts is owned by the Forest Service or the City of Portland in the Bull Run Watershed.

EXHIBIT No. 324

[News Clipping Hood River Daily Sun,
Sept 18, 1951.]

Lost Lake Land
Was Purchased
Fifty Years Ago

A transaction of much interest locally was revealed Tuesday of last week wherein a deed conveying 55 acres, more or less, of virgin forest lake-shore and adjacent lands bordering on Lost Lake from Ethel Winans, trustee, to Chet L. Parker was recorded at the courthouse.

The property which has been owned by the Winans family for nearly 50 years was acquired by the late Wilson Ross Winans when access to Lost Lake beyond the pioneer Winans homestead hard by the Punch Bowl was had by fording streams and by winding precipitous pack trail some 20 miles to the then remote spot of enchantment in the wilderness. Mr. Winans in that early day believed in the

future of Lost Lake as he did in that of all the Hood River valley. He it was who circulated the petition for the granting of a county road to the lake and guided the surveying party who located the route through the forests. Along the western shore of the lake may be seen to the present day the standard three notch blazes made by his trusty axe marking the course of the new roadway through the forest.

Some 10 acres of lake front is retained in the Winans family. It is understood that the new ownership plans to hold their area as a primitive mountain retreat with a minimum of timber removal in its development.

EXHIBIT No. 325

[Hood River News, 12/7/51.]

Title Company

Files Complaint

A complaint was filed Thursday of last week at Portland by the Title and Trust company seeking judicial action on the matter of land purchase by Chet L. Parker of McMinnville several months ago in which title insurance was secured through the title company.

Some 40 acres of land, some fronting on Lost Lake, is involved. Parker through his agent, Walter Stegmann, also McMinnville, bought the property

for a price in excess of \$100,000 from Ethel Winans and other members of the Winans family.

More recently, the federal government has notified parties concerned that it holds title to the property and that the land never belonged to the Winans' interests.

According to Ed Miller, Hood River manager of the title office his company is presenting the case to court with all the facts, seeking to determine the following: If the company is liable under the conditions, if so to what extent and what recourse might be made on the sale of property.

EXHIBIT No. 327

Option

On or before seven days after date hereof, for and in consideration of the sum of \$1000.00, the receipt of which is hereby acknowledged, I, Paul Winans, acting as the duly authorized agent of Ethel Winans, et al., hereinafter designated as The Sellers, agree and promise to sell to Walter Stegmann, his heirs or assigns, hereinafter designated, The Buyer, at his option, the following described real property:

NW $\frac{1}{4}$, NE $\frac{1}{4}$, (Lot 1) containing 25.88 acres, and NE $\frac{1}{4}$, NW $\frac{1}{4}$, (Lot 2), containing 40 acres, more or less, in Section 16, Township 1 South; Range 8 East, Willamette Meridian in Hood River County, Oregon, excepting 8.88 acres located along and adjacent to the meandered

water shore line of Lost Lake and which shall be selected, measured and staked out on boundaries mutually agreed upon on or before the expiration date of this option.

For the total sum of \$100,000.00 to be paid as follows:

Credit by check subject to collection
paid on option herewith\$ 1,000.00

Payment on even date of written
notice of election of The Buyer
to purchase under this option....\$ 4,000.00

Final payment to be made on even
date of delivery of deed to above
described land by The Seller on
or before ninety days from date
hereof\$ 95,000.00

\$100,000.00

For which The Seller agrees to deliver a good and sufficient deed of conveyance showing title free and clear of all mortgage, contract, judgment or tax liens, conveying to The Buyer all the right, title and interest of The Sellers to the above-described real property.

/s/ PAUL WINANS,

/s/ ETHEL WINANS.

Approved,

.....

[Title of District Court and Cause.]

CERTIFICATE OF CLERK

United States of America,
District of Oregon—ss.

I, F. L. Buck, Acting Clerk of the United States District Court for the District of Oregon, do hereby certify that the foregoing documents consisting of Amended complaint; Reply and answer of plaintiff to answer of defendants Parker and counterclaim of defendant Chet L. Parker; Answer and counterclaim of defendants Parker to amended complaint; Answer and counterclaim of defendant Walter Stegmann to amended complaint; Third-party complaint; Third-party defendants' answer, counterclaim against third-party plaintiff, and claim against defendants; Answer of defendants Parker to cross-claim of defendants Winans, and cross-claim; Answer of defendant Stegmann to cross-claim of defendants Winans, and cross-claims; Answer of third-party defendants to cross-claim of defendant, Chet L. Parker; Stipulation; Answer of third-party defendants to cross-claims of defendant Stegmann; Stipulation of admitted facts; Findings of fact and conclusions of law; Judgment order; Notice of appeal (Chet L. Parker and Lois M. Parker); Statement of points on appeal; Designation of contents of record (Chet L. and Lois M. Parker); Supersedeas bond; Notice of appeal (Walter Stegmann); Additional designation of contents of record on

appeal (Paul Winans, et al); Order extending time for filing the record on appeal and docketing appeal; Statement of points of defendant Stegmann on appeal; Designation of contents of record (Walter Stegmann); Order extending time for filing record on appeal and docketing appeal; Additional designation of contents of record on appeal; Motion to take appeal in forma pauperis (Walter Stegmann); Order authorizing an appeal in forma pauperis; Motion for transmission of original exhibits and transcript of testimony; Order for transmittal of original exhibits and transcript of testimony; Stipulation re corrections as to lettering exhibits, etc.; Order re corrections as to lettering exhibits, etc.; and Transcript of docket entries constitute the record on appeal from a judgment of said court in a cause therein numbered Civil 6242, in which Chet L. Parker, et al are appellants and Title and Trust Company and Paul Winans, et al are appellees; that the said record has been prepared by me in accordance with the designations of contents of record on appeal filed by the appellants and appellees and in accordance with the rules of this court.

I further certify that a fee of \$5.00 has been paid by the appellants, Parker and \$5.00 by the appellants, Stegmann.

I further certify that there is also enclosed herewith a copy of the oral opinion of the court dated March 16, 1953, and a memorandum of legal services performed by Krause & Evans, Attorneys for

the Third-Party Defendants and a memorandum of expenses incurred by third-party defendants.

I further certify that there is being forwarded under separate cover Narrative statement of portions of transcript of testimony offered by defendants, Parker; Transcript of testimony dated January 20, 1953, in five volumes; Transcript of testimony dated March 20, 1953, and exhibits numbered as follows: Nos. 2 to 4—6 to 9—10-A, B, C, D—18 to 20—Depositions of Stegmann, C. L. Parker, Paul Winans and Herbert Alstadt referred to as Exhibits 21, 22, 23, and 24 but not so marked; 26—27—28-A and B—29 to 33—33-A—34 and 35—35-A—36—36-A—38-A and B—39-A, B, C, D—40—40-A—41—41-A—42 to 46—47-A, B, D—48 to 55—56-A, B, C—57-A and B—59 and 60—63-A, B, C, D, E, F, G, H, I, J—64 to 73—74-A and B—76 to 82—86 and 87—92 to 94—101 to 107—110 to 113—115—115-A—116 to 129—201 to 206—303 to 305—307 and 308—311—315—318 to 321—323 to 325—327—328-A and B—and 329, inclusive.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court in Portland, in said District this 12th day of January, 1954.

[Seal] /s/ F. L. BUCK,
Acting Clerk.

[Endorsed]: No. 14201. United States Court of Appeals for the Ninth Circuit. Chet L. Parker and Lois M. Parker, Appellants, vs. Title and Trust Company, a Corporation; Paul Winans, Ethel Winans, Ross M. Winans, Audubon Winans and Linnaeous Winans, Appellees, and Walter Stegmann, Appellant, vs. Title and Trust Company, a Corporation; Paul Winans, Ethel Winans, Ross M. Winans, Audubon Winans and Linnaeous Winans, Appellees. Transcript of Record. Appeals from the United States District Court for the District of Oregon.

Filed January 15, 1954.

/s/ PAUL P. O'BRIEN,
Clerk of the United States Court of Appeals for
the Ninth Circuit.

United States Court of Appeals for the
Ninth Circuit

No. 14201

CHESTER A. PARKER, LOIS M. PARKER and
WALTER E. STEGMANN,

Appellants,

vs.

TITLE AND TRUST COMPANY, a Corporation;
PAUL WINANS, ETHEL WINANS, ROSS
M. WINANS, AUDUBON WINANS and
LINNAEUS WINANS,

Appellees.

STATEMENT OF POINTS ON WHICH AP-
PELLANTS PARKER INTEND TO RELY

Pursuant to Rule 19(6) of the above court, appel-
lants Parker present the following statement of the
points on which they intend to rely:

1. The following numbered Findings of Fact
entered by the Court are, except to the extent herein
otherwise stated, not supported by the evidence:

(a) Finding No. XV, except that for some time
prior to August 11, 1951, appellant Stegmann nego-
tiated with appellee Paul Winans for the purchase
of the real property involved in this case.

(b) The first two sentences of Finding XVI,
except that it was agreed that Winans would sell
both lots as a unit for \$100,000.00.

(c) All of Finding XVII.

(d) The last sentence of Finding XVIII.

(e) The last sentence of Finding XXI.

(f) Finding XXII, except that on August 31, 1951, appellant Chet Parker accompanied a surveying party on the premises and had discussions and arguments with Paul Winans, but not with respect to the matters set forth in said finding.

(g) The second, third and fourth sentences of Finding XXV.

(h) The third, fourth and eighth sentences of Finding XXVI.

(i) Finding XXVIII.

(j) With respect to Finding XXIX, deny that appellants "concealed" any facts from Title and Trust Company and also deny that Stegmann was their agent.

(k) Finding XXX, except that these appellants knew on and after August 13, 1951, that Winans had previously obtained a policy of title insurance on said property.

(l) The first four lines and the last sentence of Finding XXXIII.

(m) The second sentence of Finding XXXIV.

(n) Finding XXXV.

(o) Finding XXXVI, except that Stegmann delivered to appellants the assignment of the option,

that appellants delivered said option and said assignment to appellee Title and Trust Company and advised it that appellant Chet L. Parker had purchased the option and paid \$25,000.00 for it.

(p) Finding XXXVII.

(q) Finding XXXVIII.

(r) Finding XXXIX, except that appellee Title and Trust Company when it issued the policy believed that the title was as set forth in its policy, and that appellants had contracted to purchase it for \$125,000; except also that said appellee relied upon its examination of its records and the public records of Hood River County, Oregon.

(s) With respect to Finding XLI, appellants deny all portions thereof which charge them with fraudulent conduct.

(t) The last two sentences of Finding XLII, except that they gave no notice to appellee Title and Trust Company of any defect of title prior to September 11, 1951.

(u) Finding XLIII, except the first sentence thereof.

(v) Finding XLV.

(w) Finding XLVI, except that appellants Parker knew that plaintiff planned to institute legal proceedings against the Winans. The charges in the original complaint are as set forth therein, Exhibit 118.

(x) Finding XLVII.

(y) Finding XLVIII. These appellants, however, concede that the services of Winans' attorneys rendered them in this case was of a reasonable value of \$9,000.00 or more.

2. Appellants Parker will contend that there is no justification in fact or in law for any of the conclusions of law entered by the court, except Conclusion No. 1 regarding the jurisdiction of the court and VI regarding plaintiff's claim against third-party defendants.

3. In addition to contending that the facts do not justify the findings upon which the conclusions are based, and without in the least waiving that contention, it will be contended that a person applying for a policy of title insurance, such as that involved here, is under no obligation to the title company to advise it with respect to statements which have come to his attention concerning alleged defects of title; that even though two persons should agree that they will not call attention to the title company concerning any such information, there is no legal wrong to the title company; that the foregoing rules of law are particularly applicable if the alleged defects of title are a matter of public record available to the title company.

4. Any statements made by the Parkers at the times referred to in Finding XLIII were privileged communications.

5. The evidence of prior transactions between

appellants Parker and appellant Stegmann and also prior transactions between either or both of them and third persons was improperly admitted by the court and such evidence has no relevancy whatever in support of the contention that the Parkers and Stegmann entered into a conspiracy or that the Parkers intended or attempted to defraud the title company.

6. Based upon the foregoing, it will be contended that the court erred in entering the final judgment which was entered; and that the court should have entered a judgment in favor of appellants Parker against the Title and Trust Company, or in the alternative against the third-party defendants, for \$125,000.00, together with costs and attorneys' fees.

Respectfully submitted,

CAKE, JAUREGUY & HARDY,

By /s/ NICHOLAS JAUREGUY,
Attorneys for Appellants
Parker.

Service of copy acknowledged.

[Endorsed]: Filed January 13, 1954.

[Title of Court of Appeals and Cause.]

STIPULATION RE DESIGNATION OF
EXHIBITS FOR PRINTING

It is hereby stipulated and agreed that the explanatory matters in the attached designation for printing of exhibits, submitted by appellants Parker, in each instance correctly describes the particular exhibit referred to and the parties agree that such explanatory matters may be printed as part of the record.

All parties hereto reserve the right to designate further exhibits, or parts of exhibits, or submit further explanatory statements or descriptions, other than those in the attached designation.

Dated this 9th day of January, 1954.

PHILLIPS, COUGHLIN,
BUELL & PHILLIPS;

By /s/ JAMES K. BUELL,
Attorneys for Appellee
Title and Trust Company.

KRAUSE & EVANS;

By /s/ DENNIS J. LINDSAY,
Attorneys for Appellees
Winans.

RYAN & PELAY;

By /s/ JOHN D. RYAN,

Attorneys for Appellant
Stegmann.

CAKE, JAUREGUY & HARDY;

By /s/ NICHOLAS JAUREGUY,

Attorneys for Appelants
Parker.

[Endorsed]: Filed January 13, 1954.

[Title of Court of Appeals and Cause.]

STATEMENT OF POINTS ON WHICH AP-
PELLANT STEGMANN INTENDS TO
RELY ON APPEAL

Pursuant to Rule 19(6) of the above court, appellant Stegmann presents the following statement of the points on which he intends to rely:

1. The following numbered Findings of Fact entered by the Court are, except to the extent herein otherwise stated, not supported by the evidence.

(a) Finding No. XV, except that for some time prior to August 11, 1951, appellant Stegmann negotiated with appellee Paul Winans for the purchase of the real property involved in this case.

(b) The first two sentences of Finding XVI, except that it was agreed that Winans would sell both lots as a unit for \$100,000.00.

(c) All of Finding XVII.

(d) The last sentence of Finding XVIII.

(e) The last sentence of Finding XXI.

(f) Finding XXII, except that on August 31, 1951, appellant Chet Parker accompanied a surveying party on the premises and had discussions and arguments with Paul Winans, but not with respect to the matters set forth in said finding.

(g) The second, third and fourth sentences of Finding XXV.

(h) The third, fourth and eighth sentences of Finding XXVI.

(i) Finding XXVIII.

(j) With respect to Finding XXIX, denies that appellants Parker "concealed" any facts from Title and Trust Company and also denies that appellant Stegmann was the agent of appellants Parker.

(k) Finding XXX, except that this appellant knew on and after August 13, 1951, that Winans had previously obtained a policy of title insurance on said property.

(l) The first four lines and the last sentence of Finding XXXIII.

(m) The second sentence of Finding XXXIV.

(n) Finding XXXV.

(o) Finding XXXVI, except that appellant Stegmann delivered to appellants Parker the assignment of the option, that appellants Parker delivered said option and said assignment to appellee

Title and Trust Company and advised it that appellant Chet L. Parker had purchased the option and paid \$25,000.00 for it.

(p) Finding XXXVII.

(q) Finding XXXVIII.

(r) Finding XXXIX, except that appellee Title and Trust Company when it issued the policy believed that the title was as set forth in its policy, and that appellants Parker had contracted to purchased it for \$125,000; except also that said appellee relied upon its examination of its records and the public records of Hood River County, Oregon.

(s) With respect to Finding XLI, appellant Stegmann denies all portions thereof which charge appellants Parker with fraudulent conduct and appellant Stegmann with fraudulent conduct and conspiracy.

(t) The last two sentences of Finding XLII, except that appellants Parker gave no notice to appellee Title and Trust Company of any defect of title prior to September 11, 1951.

(u) Finding XLIII, except the first sentence thereof.

(v) Finding XLV.

(w) Finding XLVI. The charges in the original complaint are as set forth therein, Exhibit 118.

(x) Finding XLVII.

(y) Finding XLVIII. This appellant, however, concedes that the services of Winans' attorneys

rendered them in this case was of a reasonable value of \$9,000.00 or more.

2. Appellant Stegmann will contend that there is no justification in fact or in law for any of the conclusions of law entered by the court, except Conclusion No. 1 regarding the jurisdiction of the court and Conclusion No. VI regarding plaintiff's claim against third-party defendants.

3. In addition to contending that the facts do not justify the findings upon which the conclusions are based, and without in the least waiving that contention, it will be contended that a person applying for a policy of title insurance, such as that involved here, is under no obligation to the title company to advise it with respect to statements which have come to his attention concerning alleged defects of title; that even though two persons should agree that they will not call attention to the title company concerning any such information, there is no legal wrong to the title company; that the foregoing rules of law are particularly applicable if the alleged defects of title are a matter of public record available to the title company.

4. Any statements made by the appellants Parkers at the times referred to in Finding XLIII were privileged communications.

5. Appellant Stegmann will contend that the trial court erred in failing to grant appellant Stegmann's motion for a judgment of involuntary nonsuit as to appellee Title and Trust Company, said motions appearing in the reporter's transcript on

page 1217 through 1225, and in the printed transcript of appellant Stegmann on pages 15 and through 21.

6. The evidence of prior transactions between appellants Parker and appellant Stegmann and also prior transactions between either or both of them and third persons was improperly admitted by the court and such evidence has no relevancy whatever in support of the contention that the Parkers and Stegmann entered into a conspiracy or that the Parkers intended or attempted to defraud the title company.

7. Based upon the foregoing, it will be contended that the court erred in entering the final judgment which was entered; and that the court should have entered a judgment in favor of appellant Stegmann against the Title and Trust Company and a judgment in favor of appellant Stegmann and against appellees Winans on the answers and cross-claim of appellees Winans, and a further judgment on the second cross claim of appellant Stegmann against appellees Winans for a reasonable attorneys' fee in this suit.

Respectfully submitted,

/s/ JOHN D. RYAN, of

RYAN & PELAY,

Attorneys for Appellant
Stegmann.

Affidavit of mail attached.

[Endorsed]: Filed February 1, 1954.